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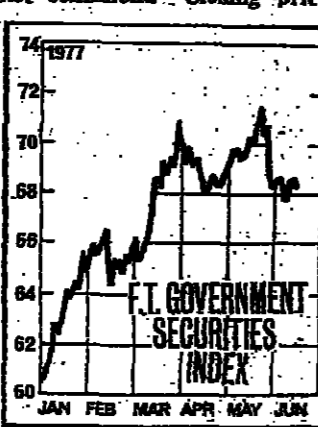
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FEEL SAFER WITH SURELOK Britax The Britax double-acting inertia reel seat belts

NEWS SUMMARY

GENERAL Soweto tense after boy dies

BUSINESS Gilts fall sharply; equities off 5.3



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Disillusion

Irish vote to-day

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Prince intervenes

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AFTERMATH OF FINANCE BILL DEFEATS

Doubts grow among Liberals about renewing pact

BY PHILIP RAWSTORNE

Mr. James Callaghan last night appeared to be threatened with an autumn general election by growing doubts among Liberal MPs about the renewal of their pact with the Government at the end of the session.

BY PHILIP RAWSTORNE

The Prime Minister is therefore expected to provide some stronger indications of his intentions to the party at today's Cabinet meeting.

BY PHILIP RAWSTORNE

The Labour Party is proving a difficult, fragile and internally divided partner. Unless they pull themselves together, we may have to have an election in the autumn, he said.

BY PHILIP RAWSTORNE

The Prime Minister's cynical determination to bang on to office in defiance of every convention of the constitution, means that economic policy is now effectively out of control.

BY PHILIP RAWSTORNE

But Government Ministers, though badly shaken by the series of humiliations on Tuesday, remained confident last night the pact would be maintained.

Commonwealth heads condemn racist regimes

BY BRIDGET BLOOM AND REGINALD DALE

Commonwealth Heads of Government ended their London summit last night with their toughest ever condemnation of what they called the "racist minority regimes" in Southern Africa and with an equally strong denunciation of the "massive violations of basic human rights in Uganda."

BY BRIDGET BLOOM AND REGINALD DALE

Without doubt the toughest ever condemnation of any Commonwealth country by others—a belief to have caused considerable problems in the final stages of the conference yesterday.

BY BRIDGET BLOOM AND REGINALD DALE

Later, Brig. Yaradog, the Nigerian leader, said that he had African resolutions on the subject at the United Nations and elsewhere.

BY BRIDGET BLOOM AND REGINALD DALE

They would also re-examine legislation to strengthen enforcement procedures.

BY BRIDGET BLOOM AND REGINALD DALE

Mr. Price was appearing as a witness for Westinghouse Electric, to answer questions from the U.S. electricity industry attempting to establish that Westinghouse's uranium purchasing policy had kept the world market for uranium artificially depressed, and had possibly contributed to future uranium shortages.

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Disillusion

Bank warns on pay rises and inflation

BY MICHAEL BLANDEN

A WARNING that interest rates might have to rise again, if hopes of continued wage restraint and a fall in the inflation rate are disappointed, is given to-day by the Bank of England.

The Bank's assessment of the economic situation in its latest Quarterly Bulletin concentrates on monetary policy and its impact on the real economy. It makes clear, however, the Bank's view that excessive wage rises and continued high inflation would threaten the prospects of real economic growth within the present monetary constraints.

FEATURES

Table with 2 columns: Feature Name and Page Number. Includes items like 'The Irish general election campaign', 'Soweto one year later', 'Guatemala's goliath', etc.

ON OTHER PAGES

Table with 2 columns: Page Number and Feature Name. Includes items like 'Wall St & Overseas', 'World Trade News', 'ANNUAL STATEMENTS', etc.

The bank that understands Australians and Australia

The National Bank of Australasia Limited. Despite all the historic connections, for a British businessman doing business down under, Australians and Australia can need quite a bit of understanding.

ROMBARD

Silence of the Euro-lobby

BY ANTHONY HARRIS

UP TO NOW, most Europeans have greeted the new outbreak of anti-EEC talk in this country with an embarrassed smile. They may have noticed that Dr. David Owen's attempts to rouse enthusiasm for the EEC's achievements have received little notice and less response...

Food policy

There is a certain morbid satisfaction in all this for those like myself who always felt that the economic case for joining the EEC was often dangerously overstated; those who have promised miracles deserve to be tormented. All the same, it is hard now to see any alternative to trying to make membership work...

TV/Radio

6:40-7:55 a.m. Open University (UEF only), 9.41 For Schools, Colleges. 10.45 On the Move. 11:00 For Schools, Colleges. 11:50 Cricket: Jubilee Test-England v Australia. 1:00 p.m. Ragtime. 1:45 News. 2:00 Y and Me. 2:14 For Schools. 2:41 For Schools. 2:46 Headline. 2:55-3:10 p.m. Cricket: Jubilee Test. 3:30 Royal Ascot-The Gold Cup. 3:53 Regional News (except London). 3:55 Play School. 4:50 White Horse. 4:50 Scooby Doo. 5:05 Blue Peter. 5:35 Captain Pugwash.

F.T. CROSSWORD PUZZLE No. 3406

Grid for crossword puzzle with numbers 1-28 and letters filled in some cells.

ACROSS 1 Dogfish clubs making waves? (7) 10 Expose United Nations disguise (7) 11 Moderate restraint required to govern (7) 12 Gloomy dancer to bring up (5) 13 Ring embassy—it's been left out (8) 15 Spill drink with friend—but only just... (10) 16 ... and just a lake and nothing more (4) 18 Want part of one edition (4) 20 A religious dissenter? (10) 22 War cries given by heavenly guardians? (3,5) 24 Smiling in eclair (5) 26 Network the French put round the loaf (7) 27 Start of crack in tyre could be fundamental (7) 28 Apes returning amidst applause, but it's parsimonious (5,8) DOWN 2 Obscure male relative to a monarch? (7) 3 Conjecture with gland trouble? (4,4) 4 Rule for a small number of marines (4) 5 In competition, allowed Oriental to finish, but it's not finished (10) 6 Birds' coming out of corn I sheaved (5) 7 Being slavish provide food for one left inside (7) 8 Enjoyment German women agree to follow in essence (13) 9 Dance silently around in private (13) 14 Weak as a bone may be (10) 17 I defend one who is insular (5) 19 Precocious boy grasping rodent (7) 21 How far I can go for this national (7) 23 Collect an increase in wages (5) 25 Drink for doctor going to work (4) SOLUTION to Puzzle No. 3405

RACING BY DOMINIC WIGAN CRICKET BY TREVOR BAILEY

Ground suits Buckskin

WITH THE ground in his favour, Mr. Daniel Wildenstein's outstake Buckskin should outstay fellow French raider Sagaro and England's chief hope, Brunl, in today's Ascot Gold Cup. Buckskin, a vastly improved Telapa colt who has defeated Sagaro in the Prix de Barbeville, Prix de Prat and the Prix du Cadran already this season, is only marginally preferred to Sagaro in the betting. This is almost certainly due to two factors: Sagaro has already proved himself in today's race, with a victory over the last two seasons; and it was an extremely close affair between them when they dominated proceedings in the Cadran at Longchamps recently.

England have chance to regain the Ashes

THE ENGLAND team for the Jubilee Test, with Miller presumably 12th man, is the same for the Centenary Test, which they lost by a narrow margin earlier in the year, except Fletcher has been replaced by Barlow. The Melbourne match was absorbing throughout, even if the overall standard of the cricket was below what one would expect at the highest level. It is to be hoped the Lord's Test, starting today, will provide as much excitement and a different result. Certainly, the indifferent performance by the Australians so far this season suggests a wonderful chance of regaining the Ashes. But this ground has been traditionally lucky for the tourists. On paper, there appears little to choose between the two protagonists: plenty of good seam bowling, lively fielding and a couple of outstanding batsmen. But the batting of both looks distinctly suspect. Consequently, a definite weather permitting, is the logical outcome.

SALEROOM BY PAMELA JUDGE

Jewellery realises £260,706

A SAPPHIRE and diamond necklace and bracelet were sold for £18,000 to a private buyer and another private buyer gave £4,000 for a cushion-shaped diamond single stone ring at a sale of jewels by Christie's in London yesterday. The sale totalled £260,706 and included an antique necklace of 22 graduated diamond collectors which went for £9,000. Silver belonging to the Marquis of Linton and the trustees of the Hopton Preservation Trust, sold by the same house, fetched £15,500. The highest price—£12,000—was for a rare Queen Anne large plain two-handled spout cup by Walter Scott of Edinburgh bought by How.

APPPOINTMENTS Two new NatWest directors

Mr. John Philp and Mr. Marth Hayter, who has been made an honorary life member. Mr. Harold Lodge has been appointed to the newly-created post of finance director of CREDIT BANQUE, a member of the National Freight Corporation. Mr. Charles Marks has been elected chairman of the INSTITUTE OF PRACTITIONERS IN WORK STUDY ORGANISATION AND METHODS. Mr. Harold Williams becomes deputy chairman of the Board of JOHN LANG AND SON.

Group changes at P & O

Two new companies P and O Bulk Shipping and P and O Cruises are being formed to manage and market the services of the parent company. The group's main operating divisions, P and O Cruises is considered to be a more positive unit for marketing, identifying and generating public interest in cruise holidays as a specific and separate operation. The main purpose of P and O Bulk Shipping will be to strengthen the division's marketing, which will also remain the owner of the ships in the two fleets and other assets.

Northern Ireland—5.53-5.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 11.35 Politics News-The Lonehiker Job. 11.50 News and Weather for Northern Ireland. England—5.53-6.20 p.m. Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol) by Sontes Today (Southampton); Spotlight South West (Plymouth). 6.40-7.55 a.m. Open University. 11:00 Play School. 11:05 Cricket, Tennis, Racing. 6.30 Open University. 7:05 News on 2 headlines. 7:05 Having a Baby. 7:30 News on 2. 7:40 Evening Cinema: 7.40 Gammon; British News, June 1977. 7.50 "The Lavender Hill Mob", starring Ringo Starr. Guinness and Stanley Holloway. 9.00 Music for a Jubilee. 10.15 Sea Tales. 10.45 Late News on 2. 10.45 Tennis. 10.50 Cricket. 11.55-12.00 Closedown: Rosalind Shanks reads "Elsewhere" by Anthony Thwaites.

UPPER 50/50

Handwritten signature or mark in a box.

Divinas Palabras

by MICHAEL COVENEY

The Nuria Espert Company were last seen in London with *Yerma*, the famous production by Victor Garcia which was a stunning physical concentration to the sexual and maternal longings of a barren woman. The seeming, erotic, profane world of the plays of Ramón María del Valle Inclán (1866-1936) is unknown to British audiences, although we have been well primed by Genet, Ibsen and the films of Buñuel. Now released from the era of censorship which kept his plays firmly in the library, Valle Inclán offers an obvious challenge to a director of Garcia's visually explosive temperament.

Divinas Palabras is set in a small Spanish village where the peasants are cringing against the pious restrictions of the Church, represented by Pedro Gallo, the Sexton. Garcia's stage is a timeless nightmare of a place occupied by men bared to the waist and women pulling frustratedly at each other's tattered dresses. They are slaves to their environment, mobilising eight huge trucks heavy with tall organ pipes grotesquely decorated with trumpets. They move the scenery around but are dominated by the locations they create. A dying, sybilic old woman trundles on with a battered harmonium bearing her son, a hydrocephalic dwarf (José Jaime Espinosa). The dwarf entertains the villagers and is a cherished source of meagre income. The action is punctuated with the pathetic, monotonous sound of the wheezing harmonium.

Stalking the village is the romantic, one-eyed Septimo Miao (Antonio Canal) who incorporates the movements of his performing dog into his own lissom presence. The Sexton's wife, Maria Galia (Nuria Espert) is immediately attracted by his reputation and sacrifices herself to his hypnotic advances, but she is also anxious to take over the dwarf once his guardian is dead. Frankenstein of ten years ago.



Janet Suzman and Ian Bannen in 'Hedda Gabler' which opened last night at the Duke of York's Theatre

Covent Garden plans

There will be five new productions by the Royal Opera at Covent Garden during the 1977-1978 season: *Lohengrin*, produced by Eijah Moshinsky, designed by John Napier, conducted by Bernard Haitink; *Die Fledermaus* (Leopold Lindtberg, Julia Trevelyan Oman, Zubin Mehta); *Idomeneo* (Götz Friedrich, Stefanos Lazaridis, Colin Davis); *Laise Miller* (produced and designed by Filippo Sanjust, conducted Lorin Maazel); and the world premiere of John Tavener's first full-length opera, *Thraciae* (David William, Alan Barlow, Edward Downes). In addition the English National Opera's production of *Maria Stuarda* will be presented, together with revivals of *The Trojans*, *Don Carlos*, *Salome*, *Le nozze di Figaro*, *Dennis in Venice*, *Tristan* and *Isolda*. Festival, Norma and other operas, including three of this season's new productions: *La fanciulla del West*, *Ariadne auf Naxos* and *Der Freischütz*. Conductors engaged, as well as those mentioned, include Karl Böhm, Richard Bonynge, Selji Ozawa and Georg Solti.

'Arsenic and Old Lace' to transfer to Westminster Theatre

Joseph Kesselring's thriller *Arsenic and Old Lace* will open at the Westminster Theatre on Monday June 20. It was at the Whitehall Theatre prior to opening at the Westminster and stars Barbara Mullen, Joyce Heron and Julian Holloway.

Schwarzkopf indisposed

Elisabeth Schwarzkopf has been ordered by medical advisers to rest her voice completely for two months and is unable to fulfil her engagements in this country between June 21 and July 1. Her concerts and master-classes at the Brighton and Newcastle Festivals have been cancelled but it is hoped to reschedule the recitals planned in Dudley, Exeter and Norwich at a later date.



Clive Arrindell and Louise Purnell in 'Henry V' at Regent's Park Open Air Theatre

Aldeburgh Festival and Holland Park Court Theatre

Acis and Galatea

Having previously, in 1966, presented the English Opera Group staging of *Acis and Galatea*, Aldeburgh on Tuesday gave us the work in concert performance. Its most notable point of interest, beyond those common in the technique of musical theatre, was the attempt to perform the music in a manner as near as possible to the 1718 original. It is uncertain whether at Cannons, where *Acis* was first performed, the work was actually staged. It is certain that it was planned for performance with small forces—probably no more than seven instrumentalists and five singers, a fifth voice joining the soloists to complete the chorus. Here, eight players, including George Malcolm, who directed from the harpsichord, and six singers (the chorus composed of three male soloists, Mary Clarkson as soprano and James Bowman as its counter-tenor) combined to show how remarkably certain was Handel's command of his means, how specific and exact his use of them.

The Books Page will appear in to-morrow's paper

Acis airs, they lie high now for a distinguished white-haired figure rather difficult even in concert, to accept as the "lovely charming youth." He might perhaps have exchanged roles with John Elwes, a neat, charming Damon. Michael Rippon, Polyphemus, disappointingly yuged the comedy and missed the vigour and the menace, though he sang the notes (and those of the choral bass line) firmly enough. The choral quintet tended to be unbalanced by the Bowman counter-tenor, billowing out in familiar fashion. Despite passing flaws, however, this was an enchanted evening. Choral singing of a different order, provided by the Cambridge University Musical Chorus, made up the first half of Sunday's concert under Philip Ledger. The Britten *Concerto*, accented as the "19th", originally composed for the University of Basle, was trinity delivered, apart from a breathiness around the tone of the male voices hitting at the presence of "passengers"; but the work itself now makes a dry, unimpassioned public manner, however professional his adoption of it and however remarkable his solutions to the formal problems of large-scale ceremonial undertakings, was his least natural, and least convincing. In the *Songs of Farewell*, which is all that he wanted of push in both chorus and orchestra threw the linked mastery of scoring, the musical invention and dramatic

Maggio Musicale

Berio's Opera

by DOMINIC GILL

In an uncommonly enterprising kaleidoscope, a parody of the long mainstream festival programme of recitals, orchestral and choral concerts, ballet and opera during the whole of May and June, the 40th Maggio Musicale in Florence this year itself, but rather to the pluralistic also paid special tribute to the work of the foremost living Italian composer, Luciano Berio. Two programmes at the Teatro Pergola, each four times repeated, offered a cross-section of the best of Berio's large and varied output. The first presented three major works, the recent *A-Ronne* for eight solo voices and *Cheminus* for IV for oboe and 11 strings as prelude to a staged performance with dancers of *Labirinto II*, still after 12 years with or without visual distraction, one of Berio's most powerful and original musical-creations. And for the second, the Maggio Musicale offered the European premiere of the new version of Berio's *Opera*—a music-theatre extravaganza in three acts, to the composer's own libretto, commissioned by and first performed at Santa Fe seven years ago.

Festival Hall

Prokofiev

by DOMINIC GILL

Fast tempi are in the air this week. On Monday, Karajan rushed the Berlin Philharmonic magnificently, but rushed them nonetheless, through the first movement of Mahler's Sixth. On Tuesday, the London Symphony Orchestra under Claudio Abbado began their all-Prokofiev programme with an account of the first symphony that was, if not exceptionally tidy, at least sweet, neat and well-made—and remarkably brisk in the first two movements especially, for a work which unfolds with such relaxed and amiable effortlessness, surprisingly hurried, too urgent for the breath and breadth of the music, and for its delicate pointing.

Elizabeth Hall

A Mozart jam-session

by PAUL GRIFFITHS

Let my heading alarm, let me quickly allay all fears. A Mozart jam-session, to judge from the one given by the Canadian ensemble Camerata on Tuesday, is remarkably like a Mozart chamber recital, and it odd that the players should have elected for a title not only out of place but out of date. But then, as we know, the popular music of yesterday is not without its friends in Canada. To be fair, though, the gentlemen did wear casual suits, and the non-playing musicians did stick around on the platform to turn pages or just sit listening. There's informality for you. The real importance of a mixed ensemble like Camerata lies in versatility of programming. Even if similar groups in this country have long been showing the way, it was a great pleasure to be able to hear three varied masterpieces by Mozart—the C major Piano Trio K.548, the Andante and Variations in G for piano duet, and the Trio for clarinet, viola and piano—within a single concert. The programme was enough to make one wonder afresh at Mozart's genius.

Evian prize

The first prize for young string quartets in the international competition held at Evian, described by Max Loppert on May 28, was awarded unanimously to the Hungarian Takacs-Nagy quartet. It also demonstrated how difficult it is to perform Mozart adequately, let alone well. The gift of profound simplicity is rare, and it was rarely in evidence on this occasion. Otto Armin, the violinist of the ensemble, showed discernment now, and then in the D major Flute Quartet, but he was plagued by problems with his instrument, and these spoiled most of his best chances in the Piano Trio. There the honours went to the cellist, Conrad Ebenstadl, whose discreet approach was refreshing, especially when Elyakim Tausig was bringing rhythmic idiosyncrasies to the piano part.

The Heinemann Award

The award for 1976 under the William Heinemann Bequest (The Heinemann Award) has been shared by Philip Ziegler for *Melbourne* (published by Collins) and Edward Crankshaw for *The Shadow of the Winter Palace* (Macmillan). The Winnifred Hildy Prize for the best regional novel of the year has been won by Eugene McCabe for a piece of toy-music. I imagine

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OVERSEAS NEWS

Split vote detracts from big Janata wins in state polls

THE JANATA Party to-day stormed into power in elections in six northern Indian states... The Janata has won massive victories, winning more than two thirds of the seats in Rajasthan, Himachal, Haryana, Madhya Pradesh, Orissa and the Delhi Metropolitan Council.

SOWETO ONE YEAR LATER Underlying sadness and desperation

BY QUENTIN PEEL IN JOHANNESBURG In a church hall in the all-white centre of Johannesburg this week, some 30 black students from Soweto were watching a film about the life and work of the late Martin Luther King.



Reaction to the film was instant. 'Non-violence is not relevant any more.' Without a word of dissent, one member of the group outlines the disastrous deterioration in race relations which has occurred in South Africa since the first students died in Soweto on June 16, 12 months ago.

Both police and government officials insist that the students do not have widespread support within the black townships. They blame agitators and 'hooligans' (hooligans) for the disturbances. They point to students threatening workers at bus and railway stations going to work when a strike has been called.

Botha 'reassured' in Rhodesia

MR. IAN SMITH, the Rhodesian Prime Minister, is understood to have assured the South African Foreign Minister, Mr. P. W. Botha, here to-day that the Rhodesian Government is committed to a solution of the independence dispute through majority rule.

Syria 'might not recognise' Israel under peace pact

DAMASCUS, June 15 SYRIAN PRESIDENT Hafez Assad has said he would feel no obligation to recognise Israel as part of a negotiated settlement of the Arab-Israeli conflict.

Trial of W. Germans postponed in Tel Aviv

TEL AVIV, June 15 ISRAELI has postponed the trial of two West Germans and three Palestinians accused of attempting to hijack an El Al airliner in January, 1976.

LEGAL NOTICES

NO. 001583 of 1977 In the High Court of Justice Chancery Division Companies Court... NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company...

Iran relaxes court martial procedures

The Iranian government proposes to make significant amendments to military court procedures that would allow greater freedom to civilian lawyers and guarantee public hearings apart from exceptional circumstances.

Fraser calls for regional meetings

BY MARTIN DICKSON THE COMMONWEALTH Conference yesterday welcomed a suggestion by Mr. Malcolm Fraser, the Prime Minister of Australia, that Commonwealth Heads of Government in separate regions of the world should hold biennial meetings to discuss regional co-operation in the years between Commonwealth conferences.

COMPANY NOTICES

CANADIAN PACIFIC LIMITED (Incorporated in Canada) DIVIDEND NOTICE... A dividend of forty-two and one-half cents per share is payable on the ordinary shares of the company...

Libya proposes

Libya proposed yesterday that an Arab summit conference be held in its capital, Tripoli, from July 20-23 to discuss the Arab-Israeli conflict, the Lebanese situation and other inter-Arab issues.

Plan to fight Gulf pollution

EXPERTS concerned with the critical pollution of the Gulf attracted to the coastal area by development, has resulted in a comprehensive action plan, devised after five years of discussion between the eight Gulf states.

PUBLIC NOTICES

METROPOLITAN BOROUGH OF SANDWELL £1,250,000 bills issued on Wednesday 15 June 1977... METROPOLITAN BOROUGH OF WIRRAL £1,500,000 bills issued on 15 June 1977... METROPOLITAN BOROUGH OF SANDWELL £1,250,000 bills issued on Wednesday 15 June 1977...

Malay-Thai army accord

BY WONG SULONG KUALA LUMPUR, June 15 MALAYSIAN and Thai military commanders have managed to work out procedures to avoid misunderstandings in the conduct of future joint operations against Communist guerrillas along their common border.

Zambian banker's plea

Mr. Elias Chipimo, chairman of Standard Bank, Zambia's largest bank, urged the Government to stop nationalising businesses, except for strategic reasons, and to end political interference in management.

Brother of Teng

The Chinese Communist Party appears to have promoted Mr. Teng Hsiao-ping, one of China's most controversial figures, to the post of commander of South China Sea ports from Hong Kong. The move is seen as a sign that the reinstatement of Mr. Teng Hsiao-ping to a position of power may be imminent.

ON OTHER PAGES

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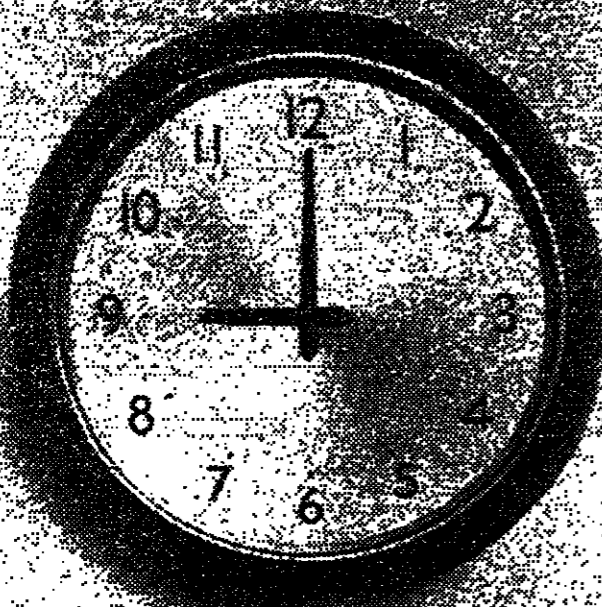
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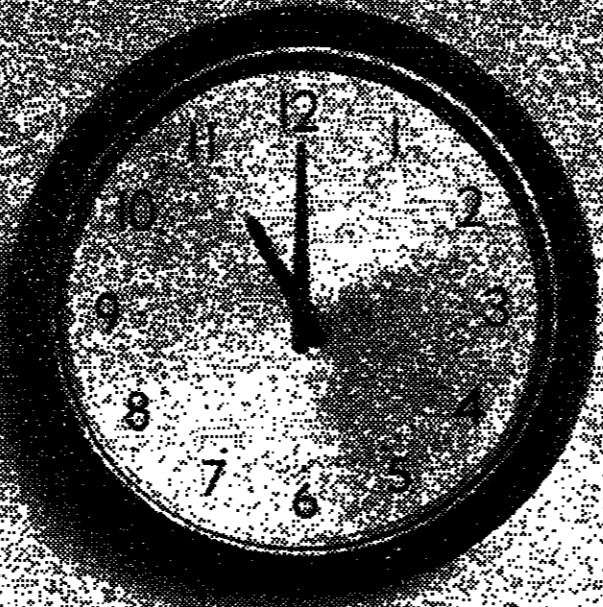
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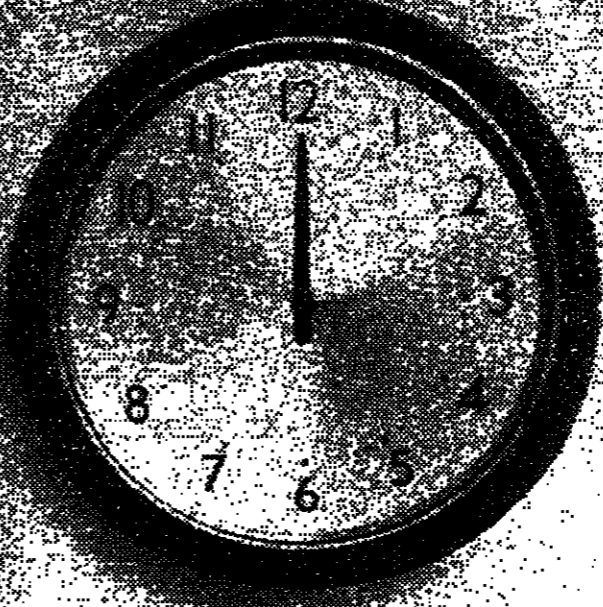
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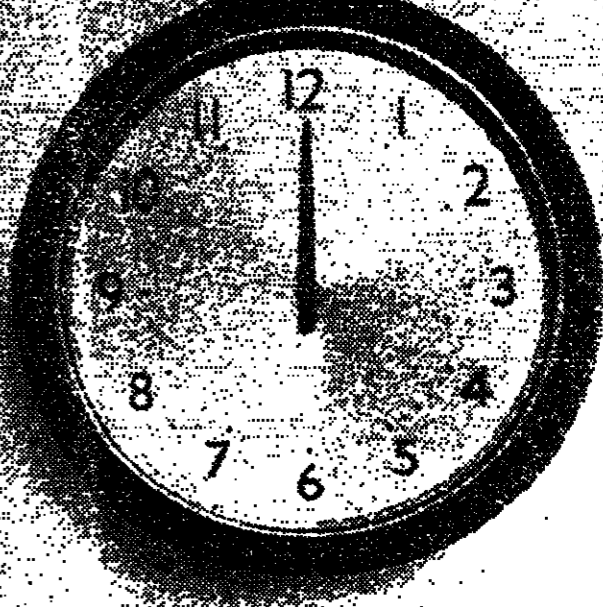
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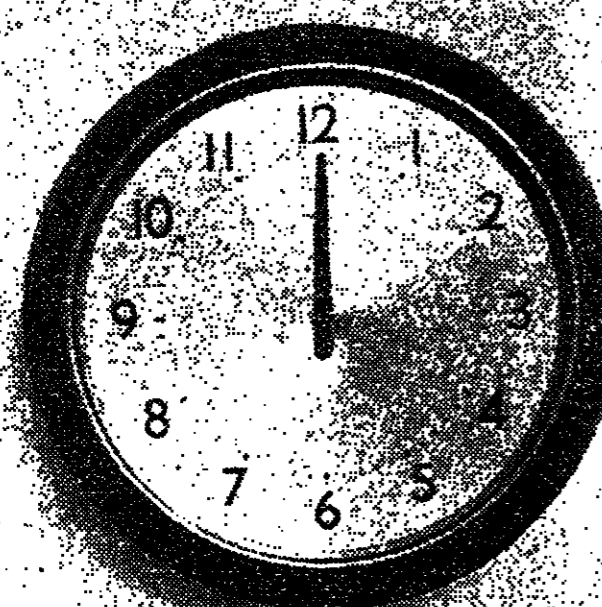
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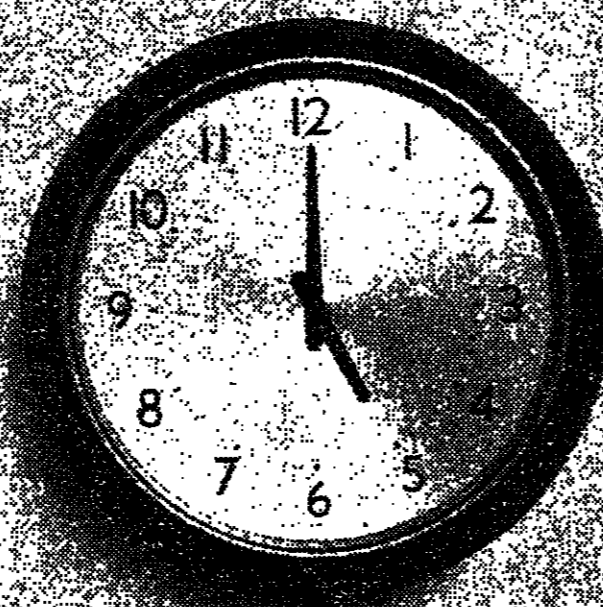
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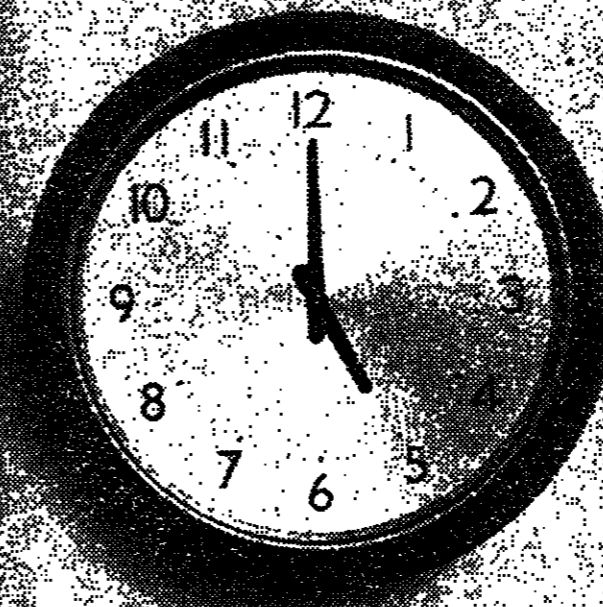
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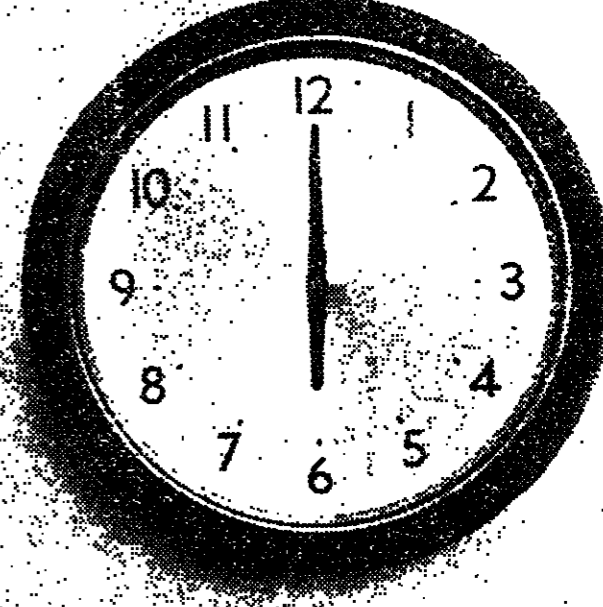
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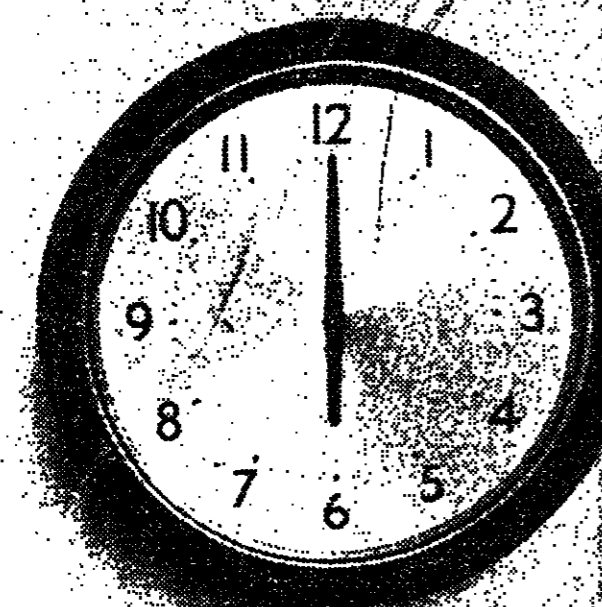
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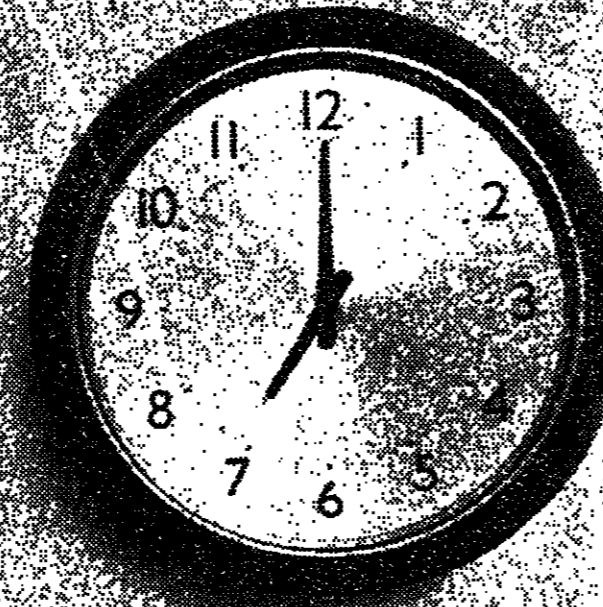
NatWest Frankfurt.



NatWest Paris.



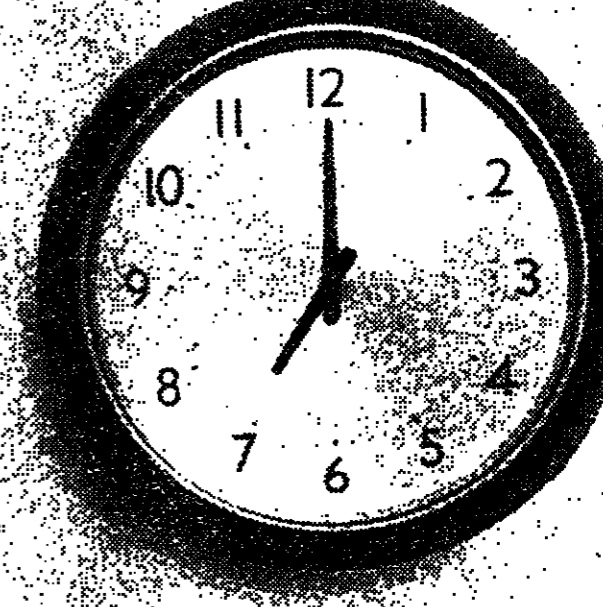
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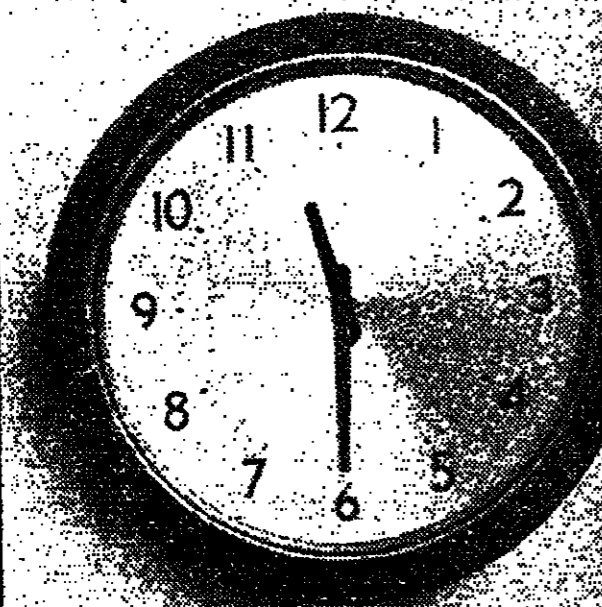
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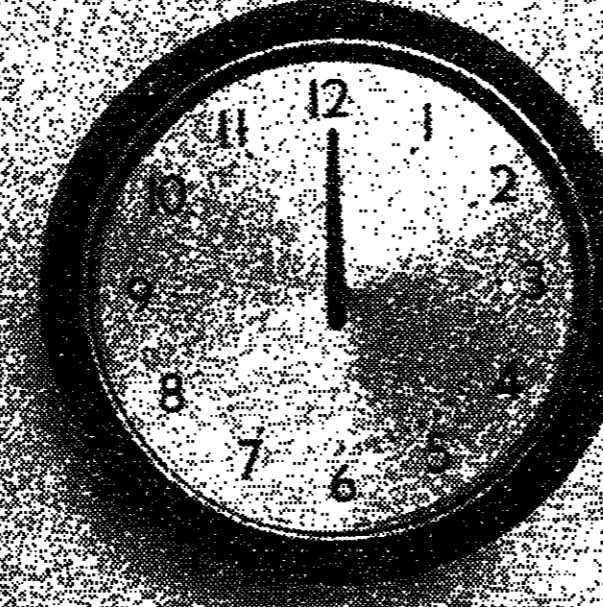
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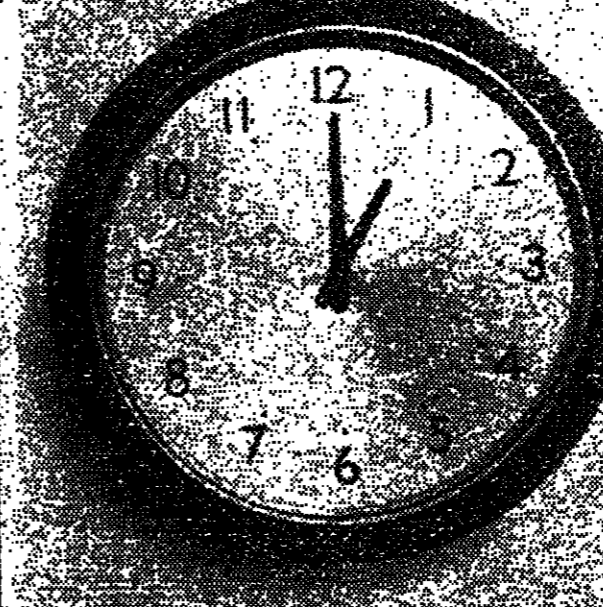
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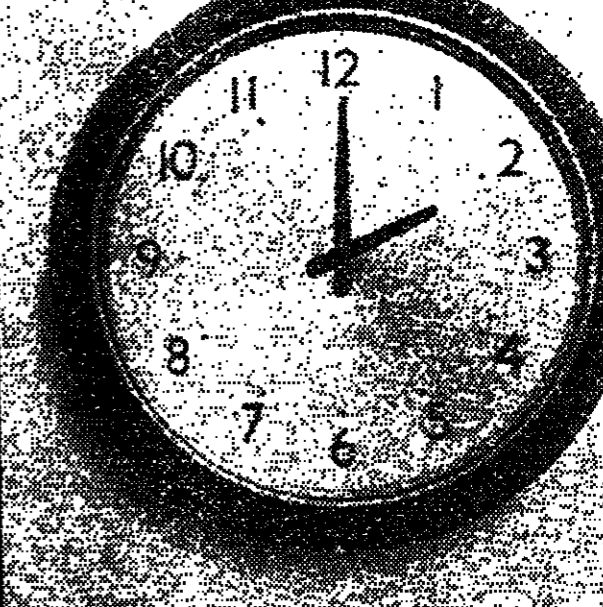
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HOME NEWS

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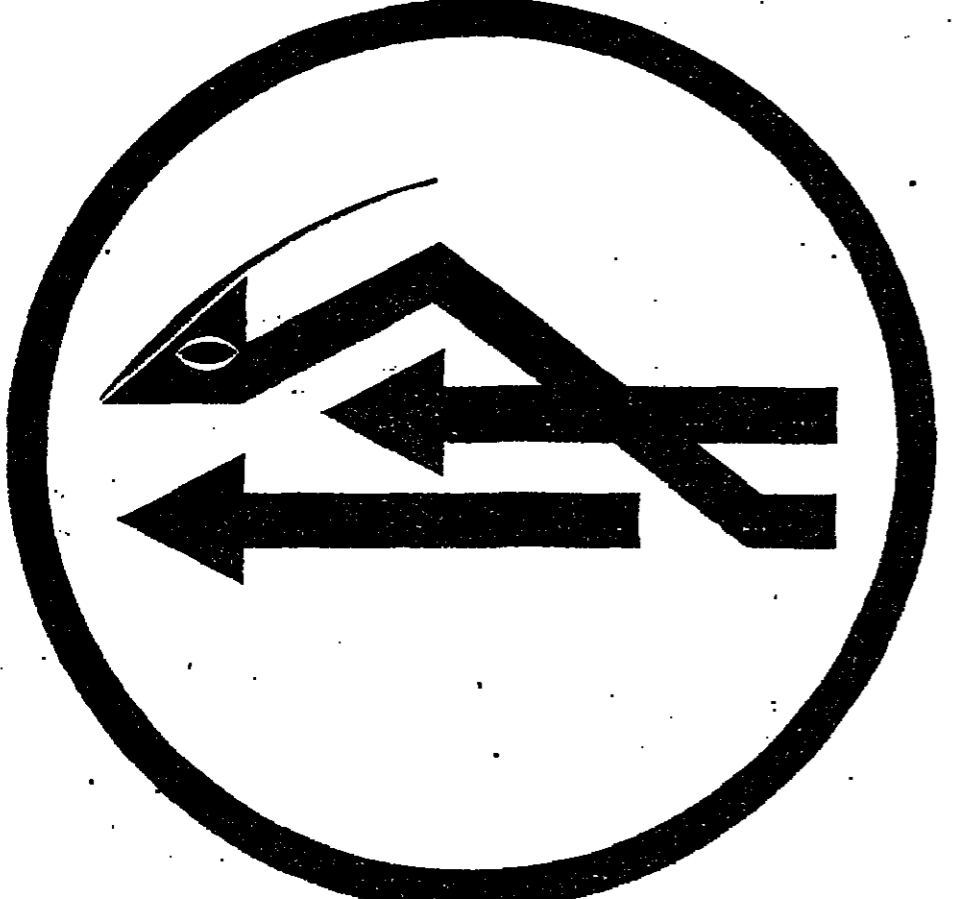
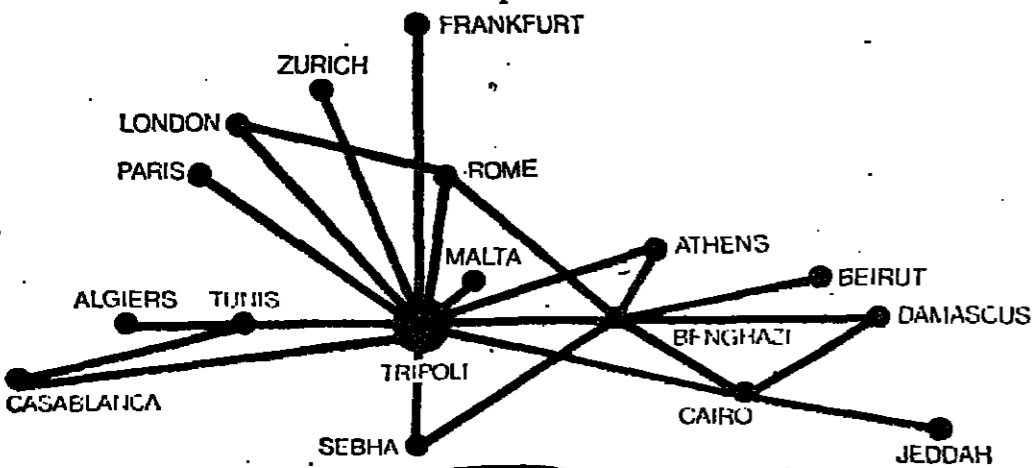
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Oil rig service deals may top £300m.

By Ray Dafer, Energy Correspondent

THE OFFSHORE oil industry has begun to arrange maintenance contracts that could be worth between £300m. and £400m. annually by the early 1980s.

As production builds up towards energy self-sufficiency within the next three years offshore operators are facing a level of inspection and maintenance totally new to the oil industry. One of the first comprehensive maintenance contracts to be arranged was announced yesterday by P & O Subsea.

The company has won a three-year contract, worth about £3m. for underwater inspection and maintenance on Hamilton Brothers' Argyl Field.

The work will be carried out as part of a larger £10m. three-year maintenance contract won by Strongwork Diving International - the main contractor for the Argyl Field work.

'Mini sub'

Star Offshore Services are also involved in what has been described by P & O as the first ever offshore oil field maintenance contract involving a submersible 'mini sub'.

Submersible-supported work as well as ballast diving will be used in the underwater servicing, Vickers Oceanics, BP's subsidiary Sonarmarine and Comex are among other submersible operators which see a big increase in sub-sea maintenance work.

This year the oil industry could spend about £50m. on the inspection and maintenance of platforms, pipelines and well systems. It has been estimated that over the life of the North Sea oil activity over £10bn. will have to be spent on these services.

Operators with gas production interests in the southern sector of the North Sea are already finding that their production installations need more upkeep than originally envisaged.

Breakthrough

P & O Subsea has so far invested £10m. on equipment, a figure which could double in the next two years.

Mr. Ivor Davies, its commercial manager, said yesterday that the company has made a breakthrough in underwater work. Using a submersible and support vessel only, the company had begun to remove and recover abandoned sea-bed well-heads.

When equipment is lowered from drilling rigs, the normal method of removal, the work can cost £30,000 to £50,000 per well. Well head removal can be much more costly, however, when oil companies decide to undertake the work once the oil rig has moved from location.

Insurance claim forms criticised

By Stuart Alexander

A CALL for improved insurance claim forms, a warning on quality when buying in bulk, and criticism of some colour photograph processing methods are the main points in the latest edition of 'Which?', the Consumer Association magazine.

A survey of 70 claims forms issued by insurance companies showed the vast majority needed substantial improvement, says the magazine.

Copies of all the forms had been sent to the Office of Fair Trading with a request for its attention and the matter had also been brought to the attention of the Government and the British Insurance Association.

The main criticism is that it is not easy to calculate the correct amount to claim, particularly where the value of the item had risen since original purchase. And it claims that the forms are not always helpful.

Which? says savings of about 10 per cent can be achieved by bulk buying food, and that could mean up to £70 off a family's grocery bill in a year. However, some buyers had found that the quality of some items, such as tea and washing-up liquid, were worse when bought in bulk.

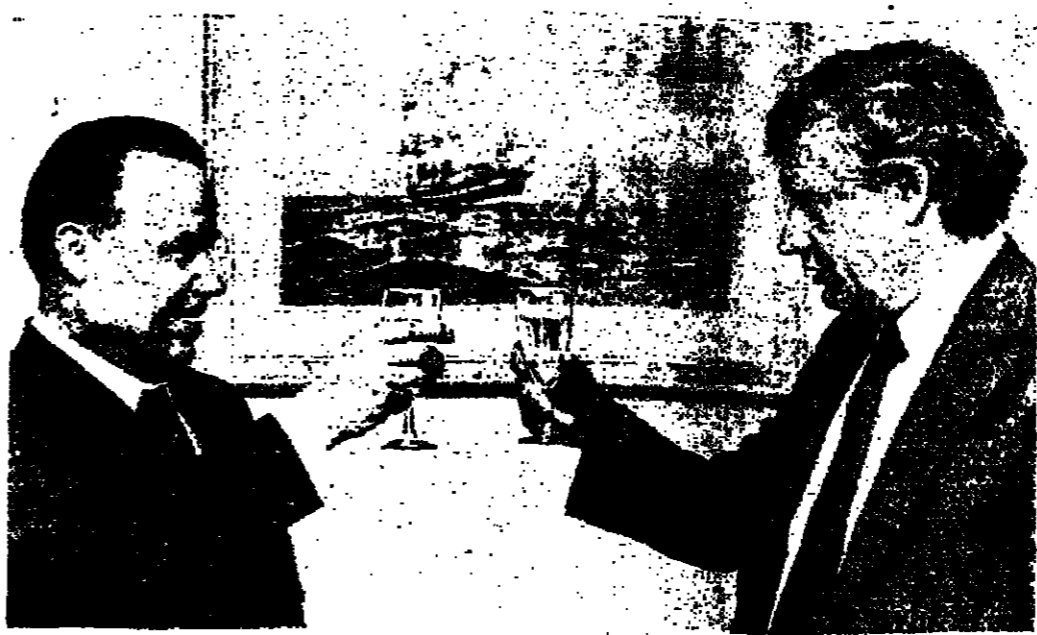
Green sand and pink rocks were sometimes the results of sending colour films to be developed and printed by some processors, Which? advises customers to complain and demand reprints in the event of poor service, and adds that a watch should be kept for special offers as these can sometimes save half the cost.

Eleven-plus dropped in Ulster

By Our Belfast Correspondent

THE GOVERNMENT has decided that the controversial 11-plus selection procedure will be dropped immediately in Ulster schools.

The announcement was made yesterday by Lord Melchett, Minister of State at the Northern Ireland Office. The Government plans, however, do not take the Province any closer to integrating the education of Protestant and Roman Catholic children.



Reminder for Russians

Mr. Edmund Dell, Secretary for Trade (right), and Mr. Timofei Guzhenko, the Soviet Merchant Marine Minister, celebrating after the signing in London yesterday of a protocol to the 1968 Anglo-Soviet Treaty on Marine Navigation. Mr. Dell took advantage of the occasion publicly to remind the Russians of the anxiety felt by Britain and other Western maritime countries at the continued expansion of the Soviet merchant fleet.

Three days of talks had proved useful and progress had been achieved on issues concerning bi-lateral trade, said Mr. Dell, but on the key problem of Soviet freight rate cutting no headway had been made.

But both Mr. Dell and Mr. Stanley Clinton Davis, the Department's Under Secretary, who lead the British negotiators, were encouraged by the fact that Mr. Guzhenko had agreed to further talks being held on the outstanding issues. Mr. Clinton Davis has been invited to visit Russia for this purpose.

Mr. Guzhenko expressed a willingness to "co-operate" over the problems caused by Soviet undercutting of conference liner rates but it will be some time before it becomes clear whether this indicates a softening of Russia's aggressive shipping policies which many British shipowners feel is based more on military than commercial considerations.

More cash and new laws to end inner city decay

BY STUART ALEXANDER

A LONG-TERM commitment to combat the problem of inner city decline is contained in the White Paper, Policy for the Inner Cities, published yesterday.

As well as incorporating the Government's intention to boost capital spending it promises legislation to extend the powers of local authorities, and emphasises partnership arrangements between central and local government.

It also calls for a "new and closer form of collaboration" with the private sector, representative organisations, voluntary bodies and the people living in the inner areas.

As part of the process of achieving a new balance, the Government had, for some time, been reviewing the role of the new towns. Accordingly the long-term population targets for the third generation new towns had been reduced and some of the resources would be redeployed.

But over the next seven or eight years the momentum of new town development would be substantially maintained.

The urban programme, already announced would be boosted from under £30m. a year to £125m. in 1979-80 although the vacant or underused land which remain the principal tool.

The White Paper sees local authorities as "the natural agencies" which have assisted large-scale to tackle the specific problems, decentralisation and in the future would be given extra powers to make loans to companies on commercial terms for up to 90 per cent of land purchase and for erecting or improving buildings.

Much of the White Paper is based on inner area studies carried out by consultants over the last four years in parts of Liverpool, Birmingham and Lambeth, plus the West Central Scotland study in relation to Glasgow.

It had underlined the erosion of the inner area and the shortage of private investment. They had demonstrated the prevalence of poverty, poor environment and had housing conditions.

While it points to the economic decline of such areas, the physical decay and the resulting social disadvantage, the White Paper also takes stock of existing social capital such as roads, main services, public buildings, houses, schools and commercial buildings as well as

"It should be possible now to change the thrust of policies which have assisted large-scale decentralisation and in the course of time stem the decline, to achieve a more balanced structure of jobs and population within our cities, and create healthier local economies."

They would be able to establish Industrial Improvement Areas where they could carry out the conversion of buildings and to create new employment and improvements to access and amenities.

They would also help to provide the partnership areas an initial rent-free period in the cost of site preparation.

The functions of the Location Offices Bureau would be changed to switch emphasis to physical decay and the resulting social partnerships are to be offered by the Government to Liverpool, Birmingham, Lambeth, Manchester/Salford, and London's docklands.

Policy for the Inner Cities, Command No. 6845; SD: 68p.

Concrete suppliers may face court

By Michael Cassell, Building Correspondent

THE OFFICE of Fair Trading is expected to take four ready mixed concrete suppliers to the Restrictive Practices Court after a three-month investigation.

The Office of Fair Trading began investigating trading arrangements of the four companies in the Thames Valley region after 'Prest' allegations about a price fixing ring. It understood that about 12 other companies in the same area are also under investigation.

The companies involved are Topmix (Southam), Mixconcrete, Sumnerglaze Gravel and Ready Mixed Concrete (Thames Valley).

The Office of Fair Trading has now placed on the Register of Restrictive Trading Agreements details of the four company arrangement as it was maintained between February and May last year. It has been abandoned since Office of Fair Trading investigations began.

The register states that, under the arrangement, the four companies allocated between themselves all known work in the Thames Valley area. They then agreed a particular price for the job in question and the party allocated the business quoted below this level while the rest asked a price above it.

To operate a restrictive trading agreement is not a criminal offence, but any parties which claim to have been harmed by one can take legal action.

If the Thames Valley cases are taken to the Restrictive Practices Court, the companies involved are likely to have an order made against them preventing them from again operating the agreement, or any similar arrangement.

Planner calls for freeports

THE GOVERNMENT should consider making small areas of some of the country's decaying cities into "freeports" with virtually no planning or other controls, says Professor Peter Hall, a leading academic planner.

The aim should be to "recreate the Hong Kong of the 1950s and 1960s inside inner Liverpool or inner Glasgow," he told the Royal Town Planning Institute's annual conference at Chester yesterday.

He suggested that such "freeport" areas would be outside U.K. exchange controls. Businessmen from the Third World would be welcome to come in and set up their factories.

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HOME NEWS

National Bus made £4m. profit last year

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE State-owned National Bus Company went back into the black last year, earning a surplus after interest and taxation of more than £4m., compared with a deficit of £18m. in 1975. The company's annual report, published yesterday, paints a picture of increased thrift and efficiency, but points out that improvement in the financial situation was accompanied by a 9 per cent. fall in the number of passenger journeys. The number has dropped by almost a third since 1969.

The unusually large fall in 1976 was partly a result of increased fares. During the year, average receipts per passenger journey, a broad measure of the average increase in fares across NBC's 40 operating companies, went up by 26 per cent. on 1975. The loss of passengers is also blamed on the fall in leisure travel during last summer's heat-wave, but it is noted the downward trend had eased off by the end of the year.

Another worrying feature of the report concerns National Travel, the company's operator of the coach and express services. Here, fares were up by more than 25 per cent. while passenger numbers fell by an alarming 10 per cent. 1980.

In spite of these factors, the service increased its revenue by 20 per cent. to over £29m. and age figure was down 3.7 per cent. recorded a small trading surplus, on 1975.

The loss of business is attributed to the general state of the economy. Looking to this year, the report says further improvement in the financial picture will require "both continuing efforts and a degree of good fortune."

Three negative factors are foreseen: the impact of EEC regulations on drivers' hours, which would cost the company £40m. a year and cause "lasting damage to employment in the bus industry"; possible cessation of Government grants towards the cost of new buses; and the uncertainty of financial support from local authorities.

Fail to pay

On this last point, the report says some authorities were failing to pay NBC companies the amount they receive from Government for bus support. It is pointed out the amount spent by the metropolitan counties on bus services is actually decreasing in real terms.

Turning to the forthcoming White Paper on Transport, the report merely expresses confidence that the company's views will be given due weight.

Last year, passengers made almost 2bn. journeys on buses and coaches. More than 700m. miles were run, though the mile-20 per cent. to over £29m. and age figure was down 3.7 per cent. recorded a small trading surplus, on 1975.

Gross revenues of operating companies were up 13 per cent. at £366m., whereas working expenditure increased by only £32m., or 10 per cent. because of greater efficiency and service reductions. The size of group assets was down 4.5 per cent. and staff down by 3.6 per cent. to 67,900.

It is noted the improved financial performance meant that almost all net capital expenditure was met from internal resources, although interest charges rose by £3m. (38 per cent.) to nearly £11m.

The report says, however, subsidiary companies' cash resources are still inadequate to withstand prolonged disruption of services by industrial action or even bad weather. There were no major strikes in 1976.

Another improvement last year was in the delivery of new vehicles, which had caused considerable problems in 1975. Nevertheless, 303 vehicles due for delivery were still outstanding at the end of the year.

National Bus also made a profit last year from its joint interest with British Leyland in Bus Manufacturers, a group whose extension was proposed earlier this year by Leyland in an attempt to obtain financial backing for a new generation of double-deck buses.

Last year, the company retained profits of £914,000 from its share in Bus Manufacturers.

Rush hour service may be hit by reduced mileage scheme

BY DAVID FREUD, INDUSTRIAL STAFF

THE NATIONAL Bus Company plans to reduce bus mileage by 13 per cent. over the next few months, mainly by withdrawing peak facilities.

The reduction, equivalent to 75m. miles over the year, follows predictions in January of a total annual cut of 3 per cent. The cuts have been caused by a lower level of grant support by local authorities, whose transport budgets have been put under pressure by the Government.

Mr. Robert Brook, the chief executive, said in London yesterday the cuts would be phased in "as quickly as we can decide on the councils' attitudes and negotiate with the unions."

The prime target would be the peak-hour services, whose incremental cost would represent the greatest saving.

Although no further fare increases were planned, there could be further pressure on services and fares if concessionary allowances are cut by councils. About £15m. derives from concessions and pensioners affected by their removal are likely to travel less.

Sir Freddie Wood, chairman, said although the £4m. surplus was a considerable achievement, it was still not good enough to make the company financially independent and to carry out its obligations to customers and staff.

"At a time of raging inflation covering replacement costs, depreciation allowance was no where near this."

The company, therefore, was still dependent on borrowings. "If anyone can succeed in overcoming this difficulty, it will be the management and staff of the NBC."

In energy terms, the bus company was an economic organisation. "We will ultimately be required again when oil reserves begin to run out at the end of the 1980s," Sir Freddie said.

Shoe manufacturers fear imports will erode industry

BY CHRISTOPHER DUNN

A RISING TIDE of shoe imports is sapping the energy, will and confidence of British manufacturers, according to Mr. Monty Sumra, president of the British Footwear Manufacturers' Federation.

Competing with shoe imports means producing at a loss and led to bankruptcy, Mr. Sumra said yesterday at the Federation annual meeting in London.

Imports in the first three months of this year rose by 25 per cent. in volume. There was a 41 per cent. rise in the volume of shoe imports last year.

If the trend continued, one out of every two pairs of shoes sold in Britain by the end of the year would be foreign.

Mr. Sumra called the Government and the EEC to act immediately to prevent further erosion of the U.K. footwear industry by these "unfair" imports.

His plea for outside intervention comes against a background of falling production in a static home market, which meant last year that 600 employees were registered for Temporary Employment Subsidy.

Shoe exports, however, rose by 1m. to 18m. pairs last year and there has been a further improvement so far this year. The aim is to double last year's export figure by 1980.

Warning on wasted revenue from oil

By Ray Daffer, Energy Correspondent

THE OFFSHORE oil industry's investment in the North Sea could reach £17.5m. by 1985, according to Aims for Freedom and Enterprise.

By the mid-1980s the benefit of North Sea oil to Britain's present and long-term capital account could be as much as £12m. to £18m. a year, the private enterprise group's report states. Last year the initial output from offshore oil fields benefited the balance of payments by some £300m.

Aims gives warning of the danger of these "enormous benefits" being "squandered by spendthrift governments. The post-war record and consequences of Britain's public spending provide absolutely no comfort that the mistakes of the past will be avoided in the future."

"It would be a tragedy if the enormous efforts of the oil industry were put at risk."

The main danger was that the revenue gained by the state from North Sea oil — revenue which could be equivalent to 5 per cent. of Britain's Gross National Product in the early 1980s — would be frittered away in politically motivated policies.

The report takes to task Mr. Anthony Wedgwood Benn, Energy Secretary, who said in Washington recently: "Public investment in energy, and the associated private investment which it will bring, hold out a real hope."

It was private investment which led public expenditure.

"Two companies, Shell and Esso, were spending at an annual rate of over £500m., or roughly £1,000 every minute, on capital equipment for the British sector of the North Sea. By 1985 the two companies could have spent over £2.5bn. on capital items—half as much again as the recent International Monetary Fund loan to Britain."

"Private capital has proved that it has an immense amount of imagination, the ability to see years ahead—in contrast to government's tendency to plan from year to year—technological initiative and, above all, courage."

£1,000 a minute—How the Oil Industry is Making Britain Richer. Aims for Freedom & Enterprise, 5, Plough Place, Fetter Lane, London, EC4A 1AN.

Jobs campaign launched by self-help agency

BY CHRISTOPHER DUNN

A new move to create work on Merseyside is being launched by Action Resource Centre, a London-based agency which launches community projects with the help of personnel seconded from interested companies.

Backed by a grant of £40,000 from the Rowntree Trust, the Liverpool initiative will be headed by Mr. Donald Barnes, a former Harland and Wolff engineer, who has just completed a study on how industry can help to ease Merseyside unemployment.

Mr. Barnes hopes to identify at least two viable projects within six months and to persuade local companies to release personnel, with contracts and job specifications for the projects, shortly afterwards.

ARC, founded three years ago, works on the basis that companies want to help to ease deprivation in the U.K.'s inner cities but prefer to second personnel to projects rather than spend money on them.

Bid to boost Cumbria

BY OUR WINDERMERE CORRESPONDENT

MRS. ISABEL JAMES, elected this week as chairman of the Cumbria Tourist Board, sees the Board's most important job in the next few years as the creation of more wealth and more employment in the area.

"I would like to see more consideration, given by the Government and the Tourist Board to promoting development in the area which will provide more wealth and more jobs," she said yesterday.

"Small businesses in particular, I would like to encourage, because they not only stimulate more jobs, but keep their money in the area."

Mrs. James, who lives in Windermere, said that any development in Cumbria should be "environmentally satisfactory" and in no way damage the environment or the quality of the area.

About £90m. came into Cumbria through tourism during the year but "we should be getting more."

The new chairman, who is also this week's county councillor and member of the Lake District special planning board, said that, apart from spreading of the tourist season, she also wanted to spread the area of tourism, so that more places in the county were involved, and visitors had a wider choice of environment and opportunity.

"The tourist board through its important central marketing activities, can then channel people more to the type of holiday they want," she said.

Young offenders training plea

A SCHEME to train inmates of Scotland's young offenders' institutions to live in the outside world should be set up "as a matter of the greatest urgency," the Scottish Parole Board said yesterday.

Unlike adult prisoners, the youngsters have no "half-way



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D. Dukes: "Indirectly, yes. You see, we grew by a series of acquisitions and amalgamations. Each company had its own sales and distribution system — typically, hand-written invoices, delivery notes, etc. — and standardisation was essential. Obviously, the answer was a computer based system."

L.P.: "And when you'd chosen the right computer you had to choose the right method of data entry?"

D. Dukes: "That's right. One of the basic constraints of our business is that we take orders up to 3.30 pm and pack them on the same day for despatch at 7.30 am the following morning."

L.P.: "You needed a really fast and efficient system then?"

D. Dukes: "Yes, that's why we decided on your OMR input documents because they're specially designed to feed the required information straight into the computer, cutting out time-consuming operations like punching and verifying. Error-free customer invoices are produced within minutes of a depot taking an order."

L.P.: "So the new systems have revolutionised the sales and distribution organisation within your company?"

D. Dukes: "Certainly. And the 4-part invoice and delivery note which the computer prints out provides for the retention of greatly improved management information."

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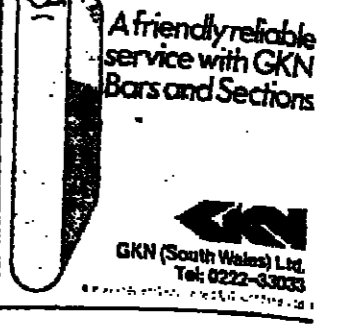
COMMUNICATIONS

Quick display of maps

THOUGH IT is primarily a military project, the development of a combined film and cathode ray tube large screen display by Battelle, Frankfurt, with the cooperation of Ferranti's Inertial Systems Department is of considerable interest in commercial areas.

designing and building combined film/teletext displays for military aircraft. But the concept demanded that the company develop a 70mm film projector capable of being controlled from a small computer as well as the special camera needed to photograph maps on 70mm strip.

communications under which the latter assumes responsibility for world marketing outside the U.S.—of advanced microprocessor controlled Pentil modems for data communications. Important, so far as the jobs situation in the U.K. is concerned, is that the agreement gives Redifon first option on manufacturing. It will place the U.K. company in an excellent position to capture a share of the data communications business, now estimated to be running at around £100m. annually with a growth rate of about 20 per cent.



A friendly reliable service with GKN Bars and Sections

MANAGING of manufacturing data bases as well as other important tasks are added to the program generation and production test capabilities of Hewlett-Packard's DTS-70 Digit Test System.

PROCESSING

Control of purchases

COMPUTERLINE has been awarded a contract by an electronic equipment manufacturer to process a purchase control system.

processing of the client's purchase control system. This involves some 25 Plan programs, the operation of which is controlled by George 3.

COMPONENTS

Carbon sealing rings

FIRST manufacturer of carbon components to succeed in making metal-impregnated carbon sealing rings in one piece up to 500mm in diameter.

ELECTRONICS

Lighting up time

FOLLOWING the May announcement that the Trafalgar Watch Company had decided to use a permanent light source from Saunders-Roe—a Betalight in an extremely compact form—as an illuminator for its latest liquid crystal display watch, the company has decided to launch six Betalight watches of this type, with an eye on the export market.

Multiple terminals may see the data base for instructions such as incoming inspectors' reject rates and inventory status, at the same time the system is controlling its stations. Test stations can user-assembled instrument clusters.

RESEARCH Night time power store

IN THE early stages of development at Battelle Columbus Laboratories in the U.S. is an energy storage system called water battery which appears to be a further development of hydrogen-oxygen fuel cell.

Keyboard for use in the wet

WATERPROOF, a keyboard from Compstock Electronics, is a sealed, flat unit. When a key position is elected and depressed, contact is effected by a flexible metal diaphragm which makes contact with a printed-circuit board forming the base of the keyboard.

Hose for hydraulic circuits

HOSE assemblies which are claimed to withstand the most severe flexing and vibrating conditions likely to be met in hydraulic circuits are now being produced by Hi-Flex International of Salisbury.

MATERIALS Better clay for potters

UP TO 1,500 tonnes of prepared clay body per week, or close on half the requirements of the Potteries for tableware raw materials, will be turned out by a plant of innovative design established at Moneystone Quarry, Oakmoor, in North Staffs.

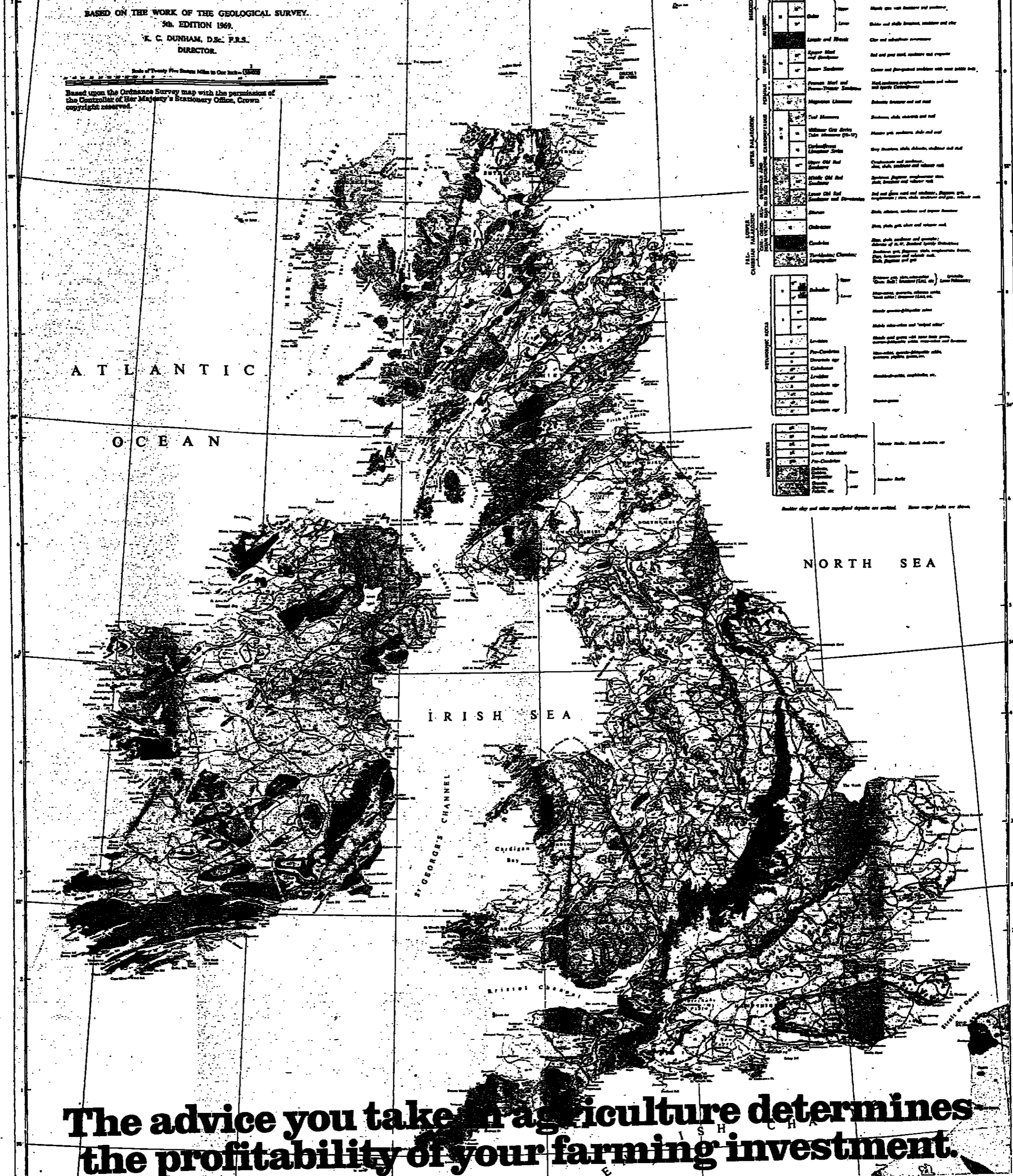
Advertisement for BE Precision Riveting Speeds Production, The British Engineers. Includes logo and contact information for Aylesbury, Bucks.

Large advertisement for Dupont Group. Features the headline 'DO YOU REALISE THAT THE DUPORT GROUP IS AS MUCH A PART OF DAILY LIFE AS THESE OTHER GREAT BRITISH ACHIEVEMENTS?' and illustrations of various Dupont products like cars, buses, and industrial machinery.

Large advertisement for KLM Cargo. Features a photo of a cargo plane and the headline 'I know reliability when I see it'. Includes text about speed, reliability, and cargo handling services.

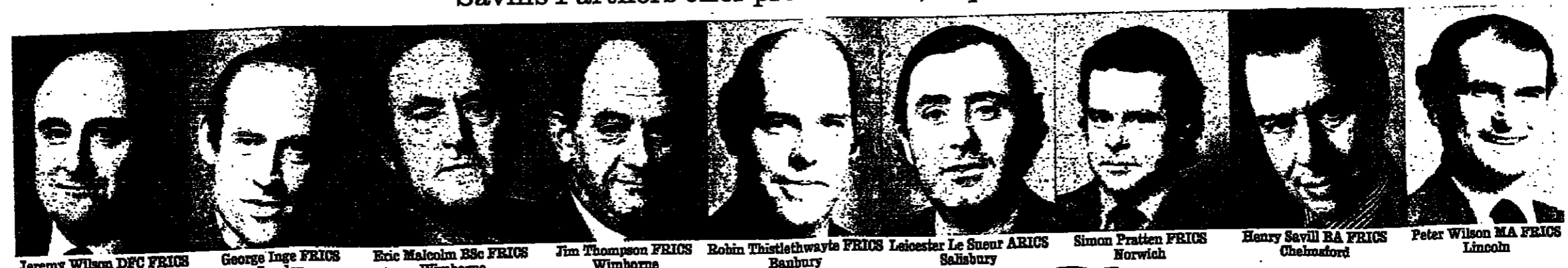
Handwritten signature or note at the bottom of the page.

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Lincoln Spring Hill House, Spring Hill, Lincoln LN1 1HB. Tel 0522 34691
Norwich 8 & 10 Upper King Street, Norwich NR3 1HB. Tel 0603 612211
Salisbury Cheviot House, 71 Castle Street, Salisbury SP1 8UG. Tel 0722 20422
Wimborne Wessex House, East Borough, Wimborne, Dorset BH21 1FB. Tel 020125 2212

PARLIAMENT and POLITICS

Tories want private funds injected in New Towns

BY IVOR OWEN, PARLIAMENTARY STAFF

MAJOR CHANGES in the financing of the New Towns, with money obtained from the sale of realisable assets and the encouragement of private sector investment...

for the New Towns or suggesting a course of action that would lead to massive redundancies and the run-down of services. But at a time when the need for constraints on public expenditure was apparent to all...

Grimond sees risk of 1984 society

FINANCIAL TIMES REPORTER

DR. DAVID OWEN, Foreign Secretary, yesterday warned his Labour colleagues that it would be electoral disaster for the party to propose withdrawal from the Common Market...

Owen rejects call Barnett denies policy 'in tatters'

By John Hunt, Parliamentary Correspondent

THE GOVERNMENT intends to proceed with its economic strategy despite the massive feasts it has suffered on the Finance Bill...

MPs rap Ministry over arms sales

BY RUPERT CORNWELL

ONLY £19M. of £206m. of exports of land armaments by the Defence Sales Organisation (DSO) were made at a real profit...

Hattersley prices freeze thinking revealed

BY RUPERT CORNWELL

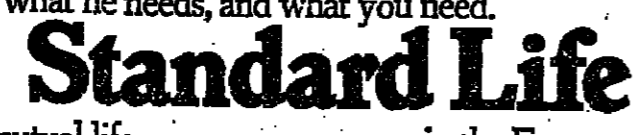
MR. ROY HATTERSLEY, Prices Secretary, last night issued a veiled but unmistakable appeal for the Government to freeze public sector prices...

and their families need to understand. Only then did the Prices Secretary make clear reference to his controversial views that he has put forward without great success...



When Clive Lloyd hits 65 Standard Life will give him a benefit.

Right now, Clive Lloyd is only 32. So he's going to be giving England and a lot of other test and county teams a headache for many years to come. When the time comes to hang up his pads, though, he certainly won't be worried about money and security...



The largest mutual life assurance company in the European community.

Work on the ship, which had been ordered in 1971, came to a complete stop in March 1975 when it was 40 per cent complete. In the words of Vickers, this was because of "acute labour difficulties."

Basnett confident pay accord will be reached

BY PHILIP RAWSTORNE

MR. DAVID BASNETT, leader of the General and Municipal Workers' Union said yesterday that he was confident there would be an understanding between the Government and the trade unions that would provide for an orderly return to free collective bargaining.

Written Answers

TREASURY Mr. Tony Newton (Con., Bristol). What would be the revenue cost of raising the starting point of higher paid employment from £5,000 to £7,500 for the current financial year...

Business travel concession

TAX CONCESSIONS on the expenses of U.K. businessmen travelling abroad were announced last night by Mr. Joe Barnett, Chief Secretary to the Treasury...

Privileges claim fails

THE SPEAKER ruled in the Commons yesterday that a new letter issued by the Society for the Protection of the Unborn Child was not a matter to be considered as a breach of Parliamentary privilege.

Handwritten Arabic text at the bottom of the page.

LABOUR NEWS

NALGO rejects tough line on Phase Three

BY DAVID CHURCHILL IN SCARBOROUGH

BRITAIN'S fourth biggest trade union, the 700,000-member National and Local Government Officers' Association, at its annual conference in Scarborough, yesterday resoundingly rejected demands for a firm policy opposing a new Phase Three pay deal. The union's policy now will be to give qualified support to any new incomes policy negotiated between the Government and the TUC.

A second resolution, opposing the special contract and calling for a new pay claim from August 1, was rejected overwhelmingly by a show of hands. This clear indication of NALGO's determination to maintain its traditional moderate position in spite of its public anger over Government policies was shown by the conference decision to call off a 10-week-old national overtime ban. The ban, the first-ever national industrial action by NALGO, had failed to have any impact on local authority policies.

Miners urged to lead attack 'on disastrous' social contract

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MR. MICK MCGAHEY yesterday urged miners to enter a wages battle for at least £135 a week for "ice workers" to defeat the social contract.

resolutions calling for amounts up to £150 a week. Mr. McGahey also attacked the Coal Board's proposal for a pit-bid incentive scheme which, he said, would damage trade union unity and lead to an increase in accident rates, which were already too high.

Call for checks on equal employment chances

BY OUR LABOUR STAFF

TOO FEW companies had implemented policies to achieve equal opportunity for racial minorities in employment, Mr. John Grant, Under Secretary for Employment, said yesterday.

conference at Crawley, Sussex admitted that some people would regard counting as offensive or feel that employees would see it as a means of perpetuating discrimination. But, he said: "If the reasons for counting are clear in your own mind and are explained to the employees then there can be no grounds for worry. I must stress that it is only by seeing what is actually happening that you can see whether a policy is working."

Agreement expected on mine bonus plan

By Alan Pike, Labour Staff

MINERS' representatives and National Coal Board officials yesterday discussed details of a new pit-based productivity scheme which the industry hopes to be able to introduce soon after the expiry of Phase Two.

At present, the union-management working party, which will meet again on June 28, is confined to considering technical details of the proposed scheme. When these are settled, the National Union of Mineworkers executive and the Board will enter formal negotiations.

Union action may hit flights

BRITISH Airways was faced with more industrial action by maintenance engineers last night which could have a more disruptive effect than last week's stoppages that halted the Heathrow to Scotland shuttle services.

The engineers plan to introduce wildcat stoppages in place of the industrial action last week when each man missed a shift on a regulated basis. They said they would not be giving the airline any notice of where or when the stoppages would occur.

Legal action against Grunwick considered

BY NICK GARNETT, LABOUR STAFF

THE UNION involved in the ten month Grunwick dispute is studying statements made by Mr. George Ward, the company's owner, with a view to possible legal action.

Mr. Ward has made a series of accusations that bribes and bullying tactics have been used to try and force employees still working at the North London factory to come out on strike.

Mr. Geoffrey Drain, the general secretary of the National and Local Government Officers' Association and next year's president, Mr. Glyn Phillips, said yesterday they would join the Grunwick picket lines. The union's national conference also demanded that the TUC organise a continuous mass picket outside the company's premises.

As in all confrontations like this, the situation is messy and confused, although specific activities by both pickets and police appear to worsen the trouble.

Many of the pickets refuse to move when they are told, show hostility to the police before any trouble has started and usually try to make a fight of it when arrested.

There was one incident when some pickets charged one the factory gates and on another occasion they made an attempt to stop a coachload of workers from entering the factory. The police, however, appear to use more force than necessary and seem to change their decisions on how many pickets will be allowed to stand at any one place, something that confuses and annoys the pickets.

Chloride meeting lifts hopes of peace formula

BY MAULINE CLARK, LABOUR STAFF

HOPES that a peace formula might be found in the five-week-old strike at Chloride Group's Manchester and Dagenham plants were raised yesterday as management and strike representatives met for the first time to discuss workers' grievances.

Until now, both sides had refused to open communications on a dispute over the group's productivity scheme with the strikers claiming a total breakdown in industrial relations in the company and a reversion by management to consultation rather than negotiation policies.

company of £1m. a week in lost production. The official strike is the first major industrial dispute in the company's history and was set off by a management demand that productivity targets must be met if workers were to receive the full benefits agreed under the scheme. The strikers claimed that the targets had not been reached because of management failures.

Other issues in the dispute concern pension scheme plans and management investment intentions which the strikers fear will lead to some 200 redundancies within three years. An increase in the number of batteries being imported by the company is also being questioned by the strikers.

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THE JOBS COLUMN

Toy chief . Exports . Teaching company . Charter move

BY MICHAEL DIXON

FOUR WEEKS from today candidates, says Ralph Ehrmann, is that they must be "fully grown" senior managers already, being demonstrably successful in running a business operation of substantial size.

One of the forces behind the group's growth over the past decade is John Gray, head of the toy division which includes Meccano and Triang as well as Airfix products. And Mr. Gray is now setting out to make the group as prominent in the toy markets of overseas countries as it is in the U.K.

This means that he will be giving up the managing director's post at Airfix Products, the largest single component of the toy division. Which in turn means that someone is needed to replace him there, and Sir Ehrmann will pay at least £20,000 a year to get the required success.

Mr. Gray, to whom the newcomer will be responsible, will be a hard man to follow in the task of consolidating and further increasing the growth of the Products company. Based in Wandsworth, the recruit will have charge of about 1,200 people, and two main factories as well as a couple of smaller associated plants.

The essential qualification for

add, "so candidates will have to know the exporting field—shipping procedures, ECGD and export insurance generally, and the appropriate bits of international law. The best background obviously seems to be export sales management already, preferably in capital goods." Age range is a stretchable 30-45.

The Western Europe manager will need either French or German, or better still both. The recruit for West Africa is likely to be fluent in French.

The salary indication is around £5,000, plus the group's normal profit-sharing arrangements. Perks include a car.

Written applications, outlining relevant qualifications, to Bill Barnes, personnel manager of Conder Exports, at 16 City Road, Winchester, Hampshire.

Buildings

THE CONDER group, which still has no plans to go public, splits its profits 50/50 between employees and shareholders. Also, by arrangement with the Inland Revenue, it makes stock available for purchase by its

Research Council and the Department of Industry, involves links between University and plants of GEC Switchgear in Manchester and Stafford. Its next 18-month training period is due to start this autumn, and Professor Alex Chisholm of Salford is now seeking four or five suitable students.

"We normally start with a short, tough introductory course about current problems in British manufacturing," he says, "and then they go to work on a particular project in the company which it views as a matter of high priority." An example is the reorganisation of part of a factory to cope with a new product range.

"We designate senior people both from here and in the company to provide them with high-level support, and each week they spend time in studies which we provide in conjunction with the University of Manchester Institute of Science and Technology."

The idea is to continue their general education with reference to manufacturing industry's role in society, and we include tuition in finance, accounting, industrial relations and so on. It's very much a partnership because industrial managers contribute to the study elements and, as well as preparing the

students for manufacturing work, the scheme is intended to increase the flow between universities and companies of ideas for improving manufacturing techniques and processes.

Professor Chisholm's preferred candidates for the next intake would be youngsters with good degrees in mechanical, electrical or production engineering who are in danger of being distracted into some other kind of work such as accountancy or marketing.

"We're out to gain bright people for the cause of manufacturing engineering," he adds. But candidates in their late 20s would be considered provided that their working experience is appropriate and, if they are not graduate engineers, they have a relevant professional qualification.

Because of the backing given by the SRC and the Department—the eventual aim is to establish about 20 teaching companies catering for between 80 and 100 students by 1982—unusually generous allowances are available to those accepted on the programme.

The pay ranges from a rate of £4,190 at the older end to £2,904 at the younger.

Professor Chisholm is away in Denmark until Monday, but in

with what reads as an air of slight exasperation—is "at present still combined with an N.C.R. machine." The salary is negotiable around £5,000. Inquiries to PER consultant Eileen Cheng by telephone on 01-235 7030, extension 234.

"Measures which promote considerable behaviour by employers and consultancies on the one hand, and by job candidates on the other, mean good business for all concerned," says the IPM's director, Bernard Dixon (no relation).

"I'd say that, as an institute, we think that the Jobs Column has clearly identified a need here, and that the time is ripe for a two-way charter," says Bob Fleeman, the IPM's vice-president for payment and employment conditions.

So they are now going to draft their proposals for the charter, and I will do the same (sensible suggestions from readers would still be welcome). Further news in due course.

Two-way code

Accountant

A RECENTLY qualified chartered accountant is being sought by the Professional and Executive Recruitment Agency for the job of controller of accounting systems throughout the Celcon group, which manufactures concrete blocks and bricks, some of them decorative. Turnover is at present about £10m.

London-based, the recruit will be responsible directly to the financial director for the following tasks: submitting to the Board designs for new systems; amending existing ones as needed; monitoring those in operation by means of internal audit; writing reports and undertaking investigations as required by managers; and doing some work in connection with the Prices Commission.

The company uses a Honeywell computer which—PER says

Engineers

ONE of the more promising ideas for getting industry and education to co-operate with rather than just compete, one another is the teaching company—which uses industrial concerns for the later training of engineers in much the same way as medical schools use hospitals.

One of about seven which have been set up so far, jointly financed by the Science

Department of Industry, involves links between University and plants of GEC Switchgear in Manchester and Stafford. Its next 18-month training period is due to start this autumn, and Professor Alex Chisholm of Salford is now seeking four or five suitable students.

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MANAGER OF FINANCE
Kuwait Up to £24,000 p.a. tax free & car & housing.
Our client is a major commercial bank engaged in the whole range of commercial banking activities in Kuwait. The operation is extremely successful and is expanding rapidly.
Reporting to the general manager, the manager of finance will be responsible for setting up effective reporting systems and running a large accounting function at the bank and its branches, and will be involved, as a member of the top management team, in planning and monitoring proposed new activities, including computerisation of the bank.
Aged 33-45, the successful candidate will be the controller or No. 2 in a medium or large bank, and, while preference will be given to graduates, the essential requirement is for a qualified accountant with at least five years accounting experience in a major bank.
Applicants should telephone or write to David Hogg, ACA, quoting reference I/1515.
E.M.A. Management Personnel Ltd.
Burns House, 88/89 High Holborn
London, WC1V 6LR.
01-242 7773

**Accountant
Financial Analyst**
City of London c £7,500
Our Client, an established American Bank, seeks to make a new appointment to assist in the accounting and financial analysis of its London operations.
The successful candidate, man or woman, will be responsible to the Assistant General Manager for advice on accounting matters including professional accounting regulations, monthly computerised accounting variances and budgets and yield and interest analysis.
Candidates will ideally be aged 30-40, professionally qualified with experience of liaison with an American parent group.
Please write in confidence stating how requirements are met to R. J. Mooney quoting reference M881.

Financial Controller
City of London £10,000+
Our client, a major U.S. International Financial Corporation, seeks to make a new appointment of a Financial Controller to assist the profit optimisation and accounting control of its expanding commercial and leasing services.
In addition to controlling the central accounting function, the person appointed will be responsible to the Managing Director for the improvement of top management information reporting both locally and to New York.
Qualified accountants aged 28-35, preferably with first hand knowledge of financial reporting and accounting practices in London, can expect a salary, pension, mortgage and other benefits commensurate with those at a leading financial institution.
Upon employment, the successful candidate will be required to spend several weeks in their New York international headquarters.
Applicants, men or women, should write in strict confidence stating how the requirements are met to R. J. Mooney quoting reference M882.

MERCHANT BANKING
Baring Brothers & Co., Limited
TRUST ADMINISTRATOR
Baring Brothers & Co., Limited are seeking a young person for their Trustee Department. Applicants should be in their middle-twenties, and have had five years experience in a major Trustee Department with satisfactory experience as a Trust Administrator. Desirable qualifications include Institute of Bankers Trustee Diploma.
The successful applicant will, after an initial introductory period, be expected to deal with new Executorships and all aspects of the general administration of the department's existing trusts.
In addition, that person will be encouraged to take an interest in investment aspects of the job.
A competitive salary and other benefits are offered. Applications giving details of education and experience should be sent to:—
Miss E. Williams,
Baring Brothers & Co., Limited,
88 Leadenhall Street,
LONDON EC3A 3DT

**Taxation
Manager**
City Five figure salary
For the London branch of one of the United States' largest banks. This new appointment, reporting to headquarters in New York, will carry complete responsibility for the U.K. tax affairs and will later extend to oversight of tax aspects of the bank's branch activities in Europe.
Suitable candidates, male or female, probably in their 30's, will be qualified accountants or have reached inspector level in the Inland Revenue. They must have thorough experience of dealing with the tax affairs of large companies. A knowledge of U.S. taxation would be helpful.
Write in confidence, quoting reference 3263/L to: M.J.H. Coney,
Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London, EC2V 8AX.

**Divisional
Managing Director**
Department Stores—Australia
The Myer Emporium Ltd., Australia's largest departmental store group, is seeking a Managing Director for one of its multi-store divisions with sales of around A\$90 million (£60 million).
Candidates should have a complete and thorough experience in both buying and selling. Executive management experience at top level with full profit responsibility is essential. Age should be between mid 30's and late 40's.
Total salary and bonus will range up to A\$60,000 (£40,000). Fringe benefits will be appropriate to the position. The top candidate, accompanied by spouse if desired, will be interviewed in Australia at company expense.
Please write—in confidence—to J.M. Ward ref. B41319.
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Management Selection Limited
17 Stratton Street London W1X 6DB

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Managing
Director
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c.£15,000+profits
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The business is profitable in a cyclically depressed field and there are significant plans for future expansion. The base is London.
We want to meet men or women with appropriate management experience and a background in marketing steel products, preferably in the construction, wire or stockholding fields.
Contact John Stork in confidence with personal, career and salary details quoting reference SCK. We can then discuss possibilities.
John Stork & Partners
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7-8 Market Place, London W1N 7AG
Telephone 01-580 4907

**Financial
Controller**
c. FF 110,000 France
A British quoted, leading consumer goods company, rapidly expanding on the continent, needs a controller for its Northern France operations. Reporting to the European MD, the responsibilities will encompass the total accounting function as well as some involvement in other management activities of the key subsidiary.
Applicants should be in the upper twenties, qualified accountants and be able to speak fluent French and English. A period in consultancy or insurance auditing is desirable but not essential. Prospects of an even wider European role are excellent.
Write in confidence, enclosing a full CV, giving your telephone number and quoting ref. F71184 to Brian Withers
GRS
Gerrard Recruitment Service
10 Argyll Street, London W1V 2BQ.

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Write, describing briefly how your background meets our needs and giving details of your education, career to date and remuneration, to: Edward W. Clark, Recruitment and Manpower Planning Officer, Citibank NA, Citibank House, 336 Strand, London WC2R 1TB.
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City £5,000 to £8,000
International Banking

Our Client, a prominent International Bank, seeks two Analysts, one at senior level, the other more junior, to join its active Credit Department. Candidates must have relevant banking experience including a thorough training in analytical techniques. They will be expected to produce high quality research material with a minimum of supervision, and to have the personal qualities necessary for a position which involves a degree of client contact.

These positions will appeal to candidates wishing to develop their credit knowledge in a small but energetic team environment where prospects exist for a future career in loan portfolio management.

Contact A. J. Tucker, M.A., A.I.B., in absolute confidence on 01-405 3499.

Lloyd Management

125 High Holborn London WC1V 6QA

Group Taxation

£8,000-£10,000 ACA, ACCA, LLB, MBA

The Legal Department of Phillips Petroleum Company Europe-Africa is seeking a tax specialist for its tax group. The expanding interests of the Phillips Group will be of particular value to an individual with highly developed specialist knowledge of the United Kingdom taxation. Reporting to Tax Counsel with direct access to the Senior Vice President - General Counsel, he or she would be mainly responsible for work with Tax Counsel in conjunction with headquarters departments and operating companies, anticipating and identifying tax problems and the initiation and execution of proper solutions. There would also be considerable involvement in other country tax systems through work on international tax problems. Candidates should be tax

specialists whose responsible business experience has been of similar UK or international application. You should be the type of person who will be stimulated by challenging work and be able to make a positive contribution to the Phillips Group tax planning and implementation. An applicant having the qualities and ability we are seeking is likely to be able to command a salary of at least £8,000.

Please telephone for an application form or send comprehensive cv. showing career and salary progression to:- Mr. D. Gosling, Manager - Recruitment and Employee Development, Phillips Petroleum Company Europe-Africa, Portland House, Stag Place, London SW1E 5DA. Tel: 01-828 9768, ext. 465.



COMPUTER SERVICES DIRECTOR

City/Hampshire c. £10,000

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Extensive use is already made of in-house and external computer services and a strategy is now being formulated for the further development of machines and systems. The two major technical and administrative offices are located in the City and at Farnborough, Hants.

The Group Computer Services Director will assume full responsibility for the provision of computer services to management and to the technical and operating departments. He/she will be expected to establish the operating priorities of the group and ensure that they are met. He/she will report to the Group Financial Director.

The successful applicant will have held a senior management position in an organisation making extensive use of computers and should have had significant experience of the insurance market, preferably broking. A five figure salary is envisaged together with a company car and other benefits commensurate with the seniority of this appointment.

Please write with full details of your career to date to G. C. Child, Aunan Impey Morris, Management Consultants, 40H3 Chancery Lane, London, WC2A 1JF quoting reference C1293.



Unicorn Industries

Group Personnel Co-ordinator

This strongly decentralised Group which is co-ordinated from a small Head Office in Windsor, is a world leader in the technology of hard materials and abrasives. It has plants in some nineteen countries, and has a vacancy at the Centre for a man or woman to take responsibility for co-ordinating personnel and labour relations throughout the Group, but particularly in the U.K.

The suitable candidate will need to be in sympathy with the strong general management orientation of the Group and realise that the job is to ensure that the individual Divisions and Companies have appropriate policies and are developing them in a sensible way for their local reasons, but will need to ensure that such local developments do not clash with the overall personnel and labour relations policy of the Group.

The successful candidate will need to have demonstrated an ability to cover or understand all aspects of personnel and human relations management and to be a realist.

Given the requirements mentioned earlier, we have no fixed ideas on age or previous background. We offer a sensible salary; the usual fringe benefits associated with a large company; and a location at Windsor, Berkshire.



Please apply in writing to:- Dr. Terence Flitcroft, Group Chief Executive,

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Castle Hill House, WINDSOR, Berks. SL4 1LY.

GROUP FINANCIAL DIRECTOR

Public Company - Light Engineering

A quoted group of companies in the engineering industry with a turnover of £35 million is appointing a Financial Director to take charge of financial and decentralised accounting management and to join the small policy planning team at the headquarters in Yorkshire. Candidates, aged 35 to 45, will be chartered accountants who currently have responsibilities of a similar seniority with a company of this size or with a division of a much larger group in a batch manufacturing environment. Applications are invited from men or women who meet these requirements and whose current earnings are in 5 figures. Salary and other benefits will be negotiable and reflect the standing of the appointment. Please write in confidence with brief career details to A. P. Raft, as adviser to the company, at Room 17, Terminal House, 52 Grosvenor Gardens, London SW1W 0AU.

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Some 5 years ago our clients embarked on an expansion programme to develop from a well-established base into a diverse, leisure oriented Group. This programme has been highly successful to the point where the Group now operates through several divisions, has over 5000 employees and generates pre-tax profits in excess of £10,000,000. Future plans and substantial liquid funds should ensure that this dynamic growth is sustained both in the U.K. and abroad. To reflect and anticipate these developments the Group Headquarters is being re-structured to ensure that the Board is provided with timely and accurate information on divisional activities and to provide a centre of competence in accounting standards and practice. The Group Financial Controller will be responsible to the Financial Director for these tasks, managing a small, well-qualified central team and developing strong functional relationships with Divisional Controllers. Applicants must be Chartered Accountants, aged mid 30's, with experience of controlling fast-moving service based, operations. REF: 709, FT Apply to R. A. PHILLIPS, ACIS, FCII, 2-4 King Street, St. James's, London, SW1Y 6QL. Tel: 01 930 9982.

Phillips & Carpenter
Selection Consultants

ANALYST

A vacancy exists for an analyst with one or two years' experience to join an established team specialising in fundamental research into specific industries and companies for institutional clients. The successful applicant will in time be expected to assume responsibility for part of the existing research coverage. A degree or professional qualification would be an advantage. An ability to formulate and express investment ideas is essential.

Apply in writing to:
HENRY COOKE, LINDSAY & CO.,
Attorneys, 100, Pall Mall, London, W1K 3AH.

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Pons-Parry Industrial Park,
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Minimum required qualifications are either the Institute of Bankers' Trustee Diploma or a Law Degree, together with two years' practical experience of Estate or Trust Administration.

To arrange an initial interview, please apply in strict confidence, giving details of your career and experience to date and quoting Ref. F16.



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the Permanent

Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

BRANCH ACCOUNTANT

c. £6,500 An international bank seeks a qualified accountant aged 27-30 years with previous banking experience ideally with a U.S. bank. Applicants will have had experience of Eurocurrency accounting, management accounts, corporation tax and capable of implementing a computerised accounting system. The position offers good prospects for promotion in approximately three years.

Contact: Michael Pope

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Contact: Michael Pope

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(Designate)

South of England

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PA Personnel Services Ref: AA40/6006/FT
The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

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REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

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Bank of Credit and Commerce International



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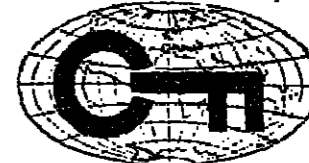
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LONDON

c. £7,000

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Internal Auditor

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c £6,000

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Write in confidence, quoting reference 1262/L to: M. J. H. Conry,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Grosvenor Lane,
London, EC2V 8AN.

North Sea oil boosts export figures

THE GROWTH of the domestic economy is still "hesitant," with the current account of the balance of payments about the only undoubtedly bright feature, according to the economic commentary in today's Bank of England Quarterly Bulletin.

This points out the slow world economic growth in recent quarters has not been favourable to an expansion of U.K. output. Overseas governments had remained cautious about expanding demand for fear of rekindling inflation. While there had already been an acceleration in consumer prices, wage settlements so far this year had been either much the same as in 1976 or slightly lower.

Against this world background, the rate of growth of export volume had been held back, although the U.K. share in overseas markets had probably increased in recent months. "The volume of exports is expected to rise fairly strongly in the next year or so, but perhaps not all that much faster than imports and the net increase in demand for domestic output could be quite small."

Although the trend in trade other than in oil was less favourable, the increase in North Sea production was making a large impact with the result that "the current account has now moved into surplus where it should remain for a considerable time (apart from monthly fluctuations)."

The Bank estimates that North Sea oil production should rise from 11.5m. tonnes in 1976 to between 40m. and 45m. this year—equivalent to about half of domestic requirements by the end of the year. The benefit to the visible balance from oil should rise from \$650m. last year to between \$2.5bn. and \$3.5bn. in 1977. The visible benefit was \$480m. in the

first quarter. North Sea oil is expected to be a strong influence on the future growth rates of Gross Domestic Product and industrial production. The Bulletin suggests that total demand was unlikely to be buoyant in the months ahead. Discussing the large stockbuilding by private industry in the first quarter—the Bank maintains that while some may have been involuntary, the rise in stocks of raw materials and work in progress might indicate a modest improvement in business confidence.

The possibility that the economy may be more buoyant than most indicators suggest is also raised in connection with the stability of unemployment in recent months and the rise in notified vacancies since "the Government's job-creating schemes can provide only part of the explanation."

The Bank notes that "it may also be that the length and severity of the recession have altered the previous relationship between output and employment; and low investment in recent years may have slowed down the long-term rate of growth of productivity."

Labour productivity in the U.K. has improved only slightly since 1973, suggesting that employment may have been kept abnormally high. Employment in manufacturing industry has risen a little since the middle of last year, perhaps indicating that companies planned for a higher level of demand than in fact occurred—the large increase in stockbuilding in the first quarter lending some support to this view.

"An improvement in companies' financial positions—partly associated with a decline in the real cost of holding labour, as prices continued to rise faster than wages—may also have

prompted companies to retain labour, or to go on using old plant requiring more labour than modern equipment. Another shake-out of labour might still take place, particularly if wage rates were to rise much faster than prices later in the year."

In a discussion of inflation, the commentary points out that higher import costs (mainly reflecting the fall in sterling) can be identified with more than 40 per cent. of the increase in final prices in the second half of last year—almost twice as much as can be directly associated with higher labour costs, which had their largest direct effect in the year to mid-1975. The Bank argues that if the exchange rates remain stable and wage inflation does not accelerate, prices should—after a period—begin to rise more slowly.

The Bulletin says that real personal disposable incomes fell by more than 4.5 per cent. in the first quarter, after a fall of 3 per cent. in the fourth quarter of 1976. It is estimated that the personal savings ratio, which fell by almost four percentage points to about 11.5 per cent. in the fourth quarter, recovered to about 12.5 per cent. in the first quarter.

The decline in both real personal disposable incomes and in consumer expenditure is likely to be checked in the second half of this year, particularly if the Chancellor is able to implement the conditional tax cuts announced in the Budget.

The commentary also notes the recovery in company profits in money terms last year (especially in the fourth quarter), but the share of profits in domestic income was much the same as in 1975. Moreover, about a fifth of the increase in profits was attributable to a relatively small number of companies with interests in North Sea oil.

Stability of pound 'should help to reduce inflation' 'Low profits could seriously harm long-run prospects'

THE OFFICIAL policy of intervening in the foreign exchange markets to keep sterling at around \$1.72, both in the period earlier this year when it was tending to rise and more recently when it tended to fall, has been under pressure, it is confirmed and explained in the Bulletin.

The Bank comments that much of the upward pressure after November was the result of repayment of the loan to finance third-country trade banned in November—which is now estimated to have brought in a once-for-all total of about £1bn. The unwinding of leads and lags was probably also a factor.

Rather than allow a short-term appreciation of the rate that was liable to be reversed when such inflows came to an end, the authorities preferred to aim for stability at around \$1.72.

This stability, it is recognised, has partly eroded the U.K.'s price-competitiveness, which had less than last year, and "a smoother path of monetary expansion may prove possible." Much will depend on price developments, the Bank comments.

The fall in interest rates this year "has probably reflected expectations of lower price inflation, and could be validated by a satisfactory prospect for wages." On the other hand, less satisfactory prospect might show that by May the market had over-reacted to improved expectations, and that "an upward readjustment in interest rates was necessary."

If inflation continued unabated, this would harm the economy in a number of ways, including postponing the rate of expansion that is needed. With rapid inflation, the more restrictive monetary conditions which would then develop—as a result of policies designed to keep to the published monetary targets—would tend to reduce the rate of real growth.

"The risk of this happening could be averted by a barrier to inflation. With an expected rate of monetary expansion of 9-13 per cent. for the year, the rise in wage costs will need to be significantly below this in order to leave room for real growth."

The Bank argues that the targets for the current financial year—a 9-13 per cent. rise in sterling money supply on the wider definition (M3) consistent with the £7bn. limit on domestic credit expansion—could permit some rise in bank lending. An increase of this size

DCE AND THE MONEY STOCK (M3)

DCE was little changed in the three months to mid-April, but sterling M3 and total M3 each rose, after declining in the previous three months.

| | Apr. 77 Mid-month | Apr. 76 Apr. 77 Unadjusted | July 76 July 77 Seasonally adjusted | Oct. 76 Oct. 77 | Jan. 77 Apr. 77 |
|---|----------------------|----------------------------------|---|--------------------|--------------------|
| Central government borrowing requirement | +5,710 | +1,950 | +1,910 | +1,030 | +1,400 |
| Net purchases (-) of central government debt by non-bank private sector | -6,070 | -990 | -1,120 | -2,670 | -1,090 |
| Other public sector | +1,520 | +440 | +410 | +620 | -200 |
| Bank lending in sterling to U.K. private sector and overseas | +3,060 | +1,140 | +1,310 | +820 | -180 |
| Domestic credit expansion | +4,220 | +2,540 | +2,510 | -400 | -70 |
| External and foreign currency finance | -800 | -930 | -890 | +260 | +740 |
| Other | -720 | -450 | - | -200 | 70 |
| Sterling M3 | +2,700 | +1,160 | +1,620 | -340 | +600 |
| Percentage change in sterling M3 | +7.2 | +3.1 | +4.2 | -0.9 | +1.5 |
| U.K. residents' foreign currency deposits | +1,200 | +290 | +590 | -190 | +510 |
| Total M3 | +3,900 | +1,450 | +2,210 | -530 | +1,110 |
| Percentage change in total M3 | +9.7 | +3.6 | +5.3 | -1.2 | +2.6 |

* Other public sector borrowing requirement, less purchases of other public sector debt by the private sector (other than banks).
† Including commercial bills bought by the Home Department of the Bank of England.

"should leave room for a slightly faster growth in bank lending to the private sector than in 1976-77, as a whole while the required amount of gilt-edged sales to domestic investors outside the banking system is likely to be much less than the record amount in the previous financial year."

The Bank draws attention to the heavy sales of gilt-edged securities, totalling more than £3bn. net in the three months to mid-January and another £400m. in the following three months. Sales of other forms of Government debt, including national savings, were also, unusually large.

In the 12 months to mid-April, total purchases of all forms of Government debt outside the banking system amounted to slightly more than £5bn.

These sales, coupled with a fall in bank lending to the private sector early this year, were important factors in the sharp rise in the growth of the monetary aggregates in the latter months of the past financial year. As a result, domestic credit expansion was less than half the limit of £9bn. for the year, and sterling M3 rose by 7 per cent., well under the target range.

The main element in the unexpected lack of growth in domestic credit, however, was the unexpectedly low turnout of the public sector borrowing requirement in the first quarter. This, the Bank points out, was as much as £3bn. less than forecast in the 1976 Budget and £2.5bn. below the forecast as recently as December during the negotiations with the International Monetary Fund.

Difficulties of forecasting of this kind, the Bank suggests, are one of the problems faced in handling monetary policy. The public announcement of official quantitative aims for monetary expansion "creates a different environment for policy."

Their earlier announcement "may reinforce the purposiveness of monetary policy and provide reassurance that the authorities will not just accommodate pressures which may arise." But they also raise questions for discussion, the Bank says.

Monetary targets in practice have been kept at a moderate rate during the past three years. But it still appeared desirable to indicate the target range publicly last year.

"The principle of adopting a target may be more important than its precise form, or the particular magnitude to which the target relates."

The Bank suggests that there may be a case for placing emphasis again on money stock rather than domestic credit expansion as the criterion to be used as the balance of payments strengthens.

It adds: "There might also be a case for updating targets at say, quarterly intervals: if there is a risk that actual performance will exceed or fall below the target range, and if this arises towards the end of the target year, there may be pressure for extreme adjustments in the short time remaining."

Last year's experience, though the final outcome was within the targets, included some sharp fluctuations from quarter to quarter. The Bank underlines the difficulties in this situation.

First, it says, monetary conditions were heavily influenced by the changing state of confidence. Secondly, it points out, changes in trend do not become clear given the way in which the monthly statistics are produced—until some time after the event.

THE BANK of England takes a gloomy view in its general assessment of the prospects for industrial investment unless profits show a quick recovery.

"Continued low profitability could seriously damage longer-run prospects. Already the rate of investment has been low in recent years; and a continuation of low rates of return, perhaps combined with a relatively high cost of capital, could seriously discourage new investment," it says.

"Without an early move to higher profits, investment is therefore unlikely to be adequate to sustain a satisfactory rate of growth."

"A further period of rapid inflation would damage profits and investment both directly—by sustaining the present high cost of stock appreciation—and indirectly, by postponing the time when faster expansion and the stimulus which this would give to investment) can be resumed."

Low return

This view is based on further work bringing up to date estimates of the profitability of companies and the cost of their capital. This shows a still lower rate of return in 1976 than in 1975, as well as very little improvement in the margin between this return and the cost of capital.

"The recent trend in profitability factors—gearing and cash flow both appear to be improving—but as in the recent past much of the prospective improvement would accrue to the relatively small number of companies connected with North Sea oil development."

The new calculations have brought some revisions to the earlier figures. Rates of return are now shown to be rather higher than previously estimated. But real rates of return "are still shown to have declined appreciably throughout the six years of the seventies, and the latest figures show a particularly sharp fall since 1973."

By past standards, the notes comments, the real pre-tax rate of return was already very low

put at \$9.5bn., a little higher than the revised quarterly average for 1976.

About \$2.2bn. was placed in the U.K. with \$2bn. of this in foreign currency. The U.S. took about \$3.5bn. a share of the total which was much higher than in the previous three months but close to the quarterly average for last year.

Deposits with banks in other countries probably continued to rise strongly in the first quarter. Special bilateral facilities and other investments, at \$2.25bn. were larger than in the previous three months, but the trend is still downwards.

ESTIMATED DEPLOYMENT OF OIL EXPORTERS' SURPLUSES

The total surplus in the first quarter is provisionally estimated to have been rather higher than in the fourth.

| | 1975 | | 1976 | | 1977 | |
|--|------|------|----------|----------|----------|----------|
| | Year | Year | 1st half | 3rd qtr. | 4th qtr. | 1st qtr. |
| United Kingdom | | | | | | |
| British government stocks | 0.4 | 0.2 | 0.1 | - | 0.1 | -0.1 |
| Treasury bills | -0.9 | -1.2 | -0.8 | -0.4 | - | - |
| Sterling deposits | 0.2 | -1.4 | -0.9 | -0.3 | -0.2 | 0.2 |
| Other Sterling investments* | 0.3 | 0.5 | 0.2 | 0.1 | 0.2 | 0.1 |
| Foreign currency deposits | 4.1 | 5.6 | 2.2 | 1.8 | 1.6 | 2.0 |
| Other foreign currency borrowing | 0.2 | 0.8 | 0.6 | 0.2 | - | - |
| United States | | | | | | |
| Treasury bonds and notes | 2.0 | 4.2 | 2.4 | 0.8 | 1.0 | 0.8 |
| Treasury bills | 0.5 | -1.9 | 0.5 | -0.1 | -1.4 | 1.4 |
| Bank deposits | 0.6 | 1.6 | 1.0 | 0.2 | 0.4 | 0.1 |
| Other† | 6.9 | 6.7 | 3.1 | 1.9 | 1.7 | 1.2 |
| Other countries | | | | | | |
| Bank deposits | 5.0 | 7.0 | 1.5 | 2.0 | 3.5 | 1.5 |
| Special bilateral facilities and other investments*† | 72.4 | 10.3 | 6.1 | 2.4 | 1.8 | 2.3 |
| International organisations | 17.4 | 17.3 | 7.6 | 4.4 | 5.3 | 3.8 |
| Total | 4.0 | 2.0 | 1.8 | 0.1 | 0.1 | 0.1 |
| Total | 35.7 | 35.3 | 17.8 | 8.7 | 8.8 | 9.4 |

* Includes holdings of equities and property etc. † Includes loans to developing countries. ‡ Provisional.

Borrowing overseas puts U.K. in the red

HEAVY OFFICIAL borrowings abroad to finance the balance of payments deficit have pushed the U.K. into the red on its external "balance sheet," a special article in the Bulletin shows.

This first happened in 1975, it is now indicated after heavy revisions to the previously published figures. The latest estimates show that the value of the U.K.'s total external liabilities at the end of 1975 exceeded the value of external assets by about £1.4bn. Last year, the deficit increased to £2bn. The Bank gives a warning that the figures are subject to considerable uncertainty. This arises from the difficulties in the valuation of investments and problems of identification. The net figure is the result of total assets and liabilities each totalling about £1.25bn. and therefore includes a substantial margin of error.

These problems have been highlighted by revisions to the

1975 figures which, as a result, have been turned from the surplus shown in the initial estimates a year ago into a deficit.

The increase in the deficit last year happened even though the effective depreciation of sterling was more than 15 per cent. It is estimated to have increased assets by about £1.5bn. more than liabilities.

The rise of more than \$500m. in the total net liabilities last year compared with a balance of payments deficit on current account of nearly £1.5bn. The two estimates are not directly comparable, because of valuation adjustments made to some of the inventory figures and not to balance of payments estimates.

Nevertheless, the Bank comments, "after a sequence of heavy current account deficits since 1973 (amounting to more than \$7bn. in the four years) the country's balance sheet of external assets and liabilities

should have deteriorated considerably, and not very surprisingly that it should now show a net liability."

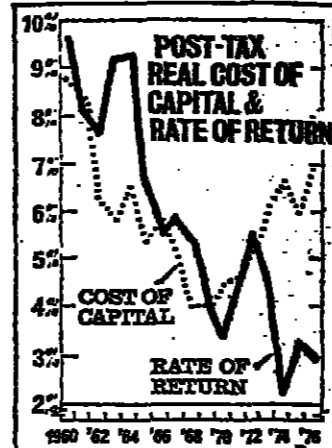
The major factor last year was official borrowing abroad, with an increase of more than £4bn. in the public sector's net external liabilities more than offsetting a rise of £3.5bn. in the private sector's net external assets.

New foreign currency borrowings by the public sector under the exchange cover scheme amounted to a record £1.8bn. and after adjusting for the depreciation of sterling, the amount out-

standing rose from \$2.2bn. to \$5.9bn.

In addition, the Government drew on the International Monetary Fund's oil facility and the first credit tranche, and official financing liabilities rose in total from \$4.4bn. to \$8.5bn.

The private sector, in contrast, showed an increase in its net assets of over \$3.5bn. after a fall in 1974 and little change in 1975. With the total, the value of net investments abroad rose by \$2.25bn. and net banking and commercial liabilities dropped by \$900m.



Advertising and Agencies and the 'fair list'

BY ALAN PIKE

from Saturday be at the centre of a renewed campaign to ensure that all art work is carried out by trade union firms. This week copies of a "fair list" of approved firms have been going out to members of the National Graphical Association and SLADE, the process workers' union. So have some 50m. labels which will be used to chart the progress of a job and ensure that it does not come into contact with non-union labour at any stage.

Leaders of SLADE, which is regarded with a mixture of hatred and fear in the advertising industry, are launching a campaign to recruit agency staff last year have told members in art studios, photo-engraving, gravure and litho houses that from Saturday they must check on the origins of all work they receive.

The union says: "The joint SLADE-NGA labels have been designed to accommodate work being completed in stages by a number of firms—for instance, work may originate first within a studio, then go on for reproduction into a SLADE house, finishing up within a printing establishment. At each stage, the union label will be used to check by means of the trade union label where the work has come from, and they will add their certification when the job is passed on to the next stage. The aim of the exercise is to ensure there is a full control against non-union work slipping through the net and being reproduced or printed."

Firms on the fair list have each been given a number by which their work will be identified. Those not on the list—and Mr. Alf Parish, assistant general secretary of SLADE, admits that they include many of the large London agencies—risk having their material blacked.

Last year the NGA imposed its own ban on work from unrecognised sources which caused a bout of serious disruption in the interpretation of the ban at local level also led the NGA and SLADE into conflict with each

other. This time, however, two unions, which with the aid of the Government, are now discussing the possibility of forming a single institution for the entire printing industry, have agreed on a common approach.

The Institute of Practitioners in Advertising has an appointed committee arranged to chart the progress of a job and ensure that it does not come into contact with non-union labour at any stage.

The Institute says that smaller agencies employ SLADE members while large ones almost invariably contract out art work and copy to trade union houses. It says that this will be used to convince the unions that it is coming from recognised sources.

However, this disregards unions' view that agency players themselves should be treated as members of the fair list as some months ago, and many provincial companies on it, the list does not include many of the main London agencies, says Mr. Parish. "The creative staff who are to be in membership."

To London agency employers this will revive memories of last two years' intensified campaign by the print union advertising which aroused passions and provoked a series of strikes and mailings to describe some recruitment tactics.

Commercial art claimed then that employers were being driven to join SLADE Art Union, a sect SLADE, and employers to agreements including post-closed shop clauses, again background of blacking the According to the Inst surveys have indicated that per cent. of employees in industry do not want to trade union membership, point which it is certain local level also led the NGA and SLADE into conflict with each

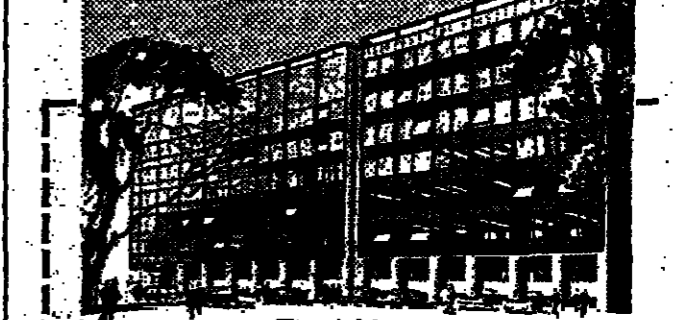
J. WALTER THOMPSON has the same name and continues to work with the world's leading advertising agencies. They are the three present directors—Chuck Anderson, Tom Stewart and Bruce Abrahams—plus Keith Richards (media director), Mike Harrison (creative director), John Taylor (finance director) and Sue Molineux (creative supervisor). The agency, with billings of £2m. and a staff of 30, will retain subsidiary, now becomes Lansdowne Marketing, as

Harmony Gold Mining Company Limited

(Incorporated in the Republic of South Africa)
A fire was discovered by the night shift on Friday, 1 June, 1977 in the area served by No. 2 Shaft, Harmony, 27 level in a stope on the far western section of the m. abutting on the De Bron fault. The fire so far has been confined to a limited area and every effort is being made to ensure that it does not spread into the adjoining mined out area. The extent to which production may be affected is not precisely known but the reduction in tonnage should exceed 5 per cent. of the normal monthly output. At this time the cause of the fire is not definitely known.
Johannesburg
14th June, 1977

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Construction: a catalogue of failures

By MICHAEL CASSELL, Building Correspondent

THURSDAY, JUNE 16, 1977

Legislative hiatus

This has not, to put it mildly, been a good week for the Government. The trade union leaders have given it a stronger hint than before that they cannot recommend, let alone enforce a Phase Three of wage restraint of the kind for which Ministers originally hoped.

he seemed until recently to have been in mind—a reconsideration which his difficulties about continued pay restraint in any case make desirable. More important though less noticed, perhaps, is the proposal that direct tax allowances should be indexed against price changes, though this appears to have been faultily drafted.

As always, of course, the situation is not quite so disastrous as it appears at first sight. To take this last, Budget point first: the sum involved is not so large, compared with the margin of error on the public sector borrowing requirement, as to make more than a moderate difference to the original calculations.

Learning to say 'no' in French

SOME TIME during the British referendum campaign, the view developed in the Foreign Office that the best way to take advantage of the European Community was to use it to advance British interests.

It is apparent by now that a version of this view has been adopted by the Government, only without the style and the subtlety which the Foreign Office would presumably have attached to it.

That is not the only example but merely the latest. It is not a question of the merits of the case—that is quite separate. But it is a question of style. If the British Government continues to say "no" in such a blunt fashion, then it is not surprising that the rest of the Community is not always ready to say "yes" at the British bidding.

THE controversial claim made by a consulting engineer that parts of Birmingham's £35m. inner ring road could collapse unless extensive rebuilding work is carried out soon has reopened the debate on whether or not the quality of British construction work is steadily declining.

The catalogue of failures is a long one. Since a gas explosion in 1968 on an upper floor of Ronan Point in Newham, East London, shook the 22-storey block of flats and the whole construction world, there have been many more incidents, from assembly hall and swimming pool roof failures to the collapse of shopping arcades and cooling towers.

But apart from the spectacular, there are indications that a general decline in design and construction standards has led to a rising pattern of building defects and failures which, in isolation, may appear relatively minor but which are costing hundreds of millions of pounds to rectify.

Workmanship shoddy

News of faults and failures is becoming part of the staple diet of construction industry magazines. Only days ago it was announced that £4.5m. was to be spent on the New Royal Liverpool Hospital, built 13 years ago, because of fire risks inherent in its construction.

Greater London Council architects have recently been blamed for defects which have been detected on council housing estates built since 1964, and although there have certainly which could cost ratepayers about £30m. to correct.

"Most of the time we are talking about far more mundane faults and defects, such as foundation problems, leaking roofs, and condensation, though they are no less important in terms of cost to the economy and can cause severe hardship and disruption."

There are signs that one of the major reasons for the unsatisfactory situation is the gradual run-down of discipline involving design procedures. In safety considerations have been a growing number of cases, the forced to take a back seat role junior in a design office is given in many cases and yet a few

responsibility for detailing work when someone with experience is really required and should, at least, check the work being done. On the site, the picture is often no more encouraging. Standards of supervision have declined in many cases simply because the large variety of materials and methods of construction now being used means that there are few people who have sufficient knowledge to recognise and cope with faults when they arise.

Mr. William Ransom, head of the new Building Integrity Division, believes that general standards in the construction sector have declined, and that the chances of a major failure have slightly increased. But he is equally anxious to ensure that the industry's failure rate is seen in proportion. "The number of deaths caused by structural failures is running at something like six a year, which built cost ratepayers about £30m. to correct.

of construction. The local authority is not necessarily obliged to carry out an inspection, but if it does so and is subsequently found to have been negligent then it could be liable for any damage which ensues.

While the Lords' decision does not in any sense cancel the builders' own liability in the case of bad workmanship it could provide the client or consumer with a valuable fall-back which has not previously been available. All too often, claims

Others in the industry think that the local authorities feel that their best chance of avoiding liability will be to abandon the inspection process altogether, although it is difficult to foresee any widespread acceptance of such a controversial move.

Mr. Ian Deslandes, director of the House Builders Federation, believes that local authorities have already been taking a much clearer look at the building process since an earlier court case first outlined the principle of local authority liability for negligent inspection. "We think the authorities inspect work far more painstakingly than in the past. Inspectors will ask to see more and will call for more situations and the planning process generally will lengthen even further."

"A 'fine toothcomb' approach will inevitably mean more delays and higher costs but I think we and our clients have to face up to it."

The industry is also inwardly digesting the ramifications of another decision which could considerably extend the actual period of a contractor's liability. Until recently, it had been the rule that a builder could only be held liable for defects for six years after any negligent building took place but now liability runs for six years from the date of discovery of the defects.



Since the gas explosion that wrecked Ronan Point flats (above) in 1968 the construction industry has been dogged by complaints of shoddy workmanship, low materials standards and poor design control. The GLC currently faces repairs to defective building which could cost the ratepayers £30m.

MEN AND MATTERS

Laker waves the flag

Anyone straying into the most far-flung of Gatwick Airport's hangars yesterday might easily have imagined themselves caught up in a belated item of Silver Jubilee.



"No doubt about that one being a Colorado beetle!"

Speaking from a flag-decked pulpit which, he suggested, had been raised high to prevent damage to his socks from the competing airlines snapping around his ankles, Laker did not miss a chance to shoot some flak at his establishment enemies.

He accused the big airlines of "lying and cheating" in their campaign against Skytrain and branded the airlines' association, IATA, as a "wretched cartel." Only President Carter, now established in the Laker pantheon as a saint of consumerism, was spared.

But even this act contained a barbed implication, which he did not hesitate to spell out. As the flag fluttered aloft, Laker explained that his standard, unlike the quarter version adorning

But Nicholas Leonard, a former journalist and one of the trio which started Fitzwilton, is emphatic that the company, though it may have failed to attain the heights which its bright-eyed supporters once hoped for, does not resemble Slater Walker closely. It avoided banking and over-involvement in property; and unlike SW, Fitzwilton is still going and intends to stay alive even if in changed form.

Fitzwilton was born in 1971 as an investment shell with £500,000 of capital and three entrepreneurially-minded guiding lights. They were: former rugby star Tony O'Reilly, often dubbed the "golden boy" of Irish business who has shot to the top of, and naturally spends most of his time on, the American H. J. Heinz group; Vincent Ferguson, who has continued to run the investment side; and Leonard, now in charge of the Stratford Express newspaper company in East London which has become part of the Irish Independent group, still part-owned by Fitzwilton.

One of the expanding Fitzwilton's early takeovers was of a house painting and industrial contracting company owned by James McCarthy (it had been started by McCarthy's grandfather in Cork in 1872). Fitzwilton's agonies began two years ago when the Moroccons hoisted the price of phosphate rock and the bottom dropped out of the fertilizer market, forcing Fitzwilton to start its series of sales.

At the insistence of bankers McCarthy was made chief executive as the fertilizer débâcle developed; he and several other Fitzwilton executives are the £5.5m. buyers of the construction business and he is relinquishing executive duties. McCarthy and 41-year-old O'Reilly are firm friends from the days when they played inter-

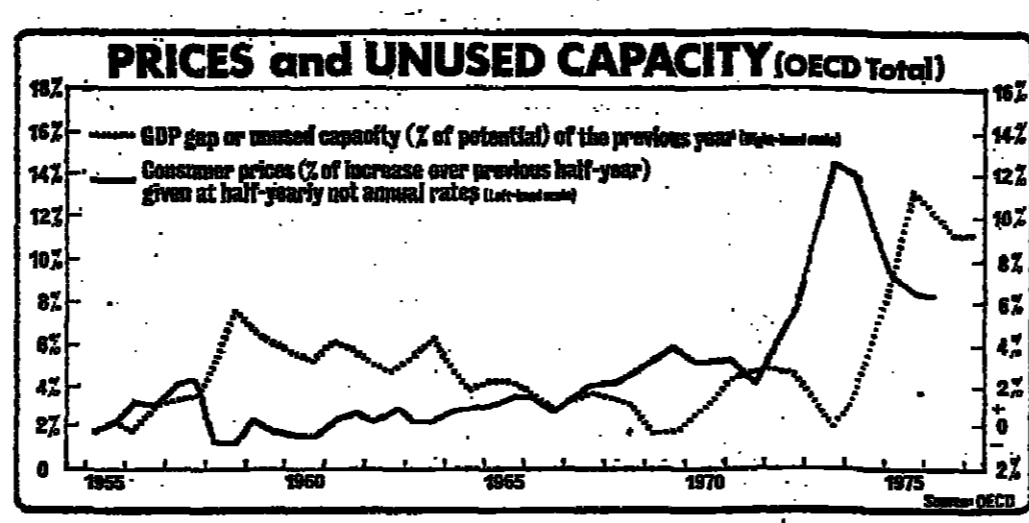
Advertisement for Edward Erdman, a property valuation and planning firm. The ad includes a list of questions about property valuation and rental values, and contact information for Edward Erdman, Observer.

Handwritten text at the bottom of the page: "الطريق الى النجاح"

You cannot back every horse in sight

IT IS doubtful if many of the independent experts who compiled the new OECD report on what has gone wrong with the world economy since 1973 went to Ascot this week. Which is perhaps a pity. For they would have discovered that you cannot back every horse in sight. But it is precisely because they did this that their report is already being canonised less than a week after publication. This is a pity. For it is by far the best single source of data and also of individual pieces of analysis for this period—thanks to the work of its senior adviser Mr. Stephen Maris, after whom the report ought to be named.

If governments establish monetary and fiscal guidelines, they may hope that these will take them to certain desired levels of output and employment, but there is no guarantee of it; and the OECD has given little reason to suppose that their real and monetary targets are compatible. Indeed, the evidence suggests that any attempt to run the world's industrial economy at 1973 levels of activity would generate another inflationary explosion, without achieving, even temporarily, the output target.



This was known as the doctrine of the "natural" rate of unemployment (a misnomer if taken literally, as unemployment could certainly be affected by grass roots policies affecting the Labour market). He returns to the issue in his Nobel Prize Lecture just published by the IEA and has given the argument a new and even more uncomfortable twist. For this shows that over a short period a rise in inflation rates has often been associated with a reduction in unused capacity; and a recession is required, as in 1975, to reduce the inflation rate. But the chart also shows a medium-term trend the other way: as inflation got worse between the 1960s and the 1970s and so did the severity of recessions. The ultra-long-term adjustments, in which activity and employment adjust to permanently higher inflation, have not yet happened, or are only beginning, and are thus not yet visible on the chart.

Everyone

The trouble with the overall conclusions is that there is something for everyone. There was the welcome call for the indexation of the personal tax thresholds and for the encouragement of index-linked bonds in both the public and private sectors. These are aspects which Mr. Denis Healey conveniently overlooked in the welcome he gave to the report in a speech this Tuesday, but on which the Commons Finance Bill Committee has already acted. The OECD also calls for stable monetary guidelines and the linking of revenue to expenditure by means of some form of adjusted budget balance. But they also call for a 5 1/2 per cent per annum real growth target for the period 1978-80 for the OECD area and publish a chart of the "narrow path" on which they want output to move with the object of returning to 1973 levels of activity and employment.

It is not very convincing to explain away the check to the world economy since 1973 as just a series of accidents: the Vietnam War in the U.S. in the 1960s, the coincidence of several national elections in the early 1970s, an unexplained inadequacy of investment in the late 1960s, the oil price explosion of 1973-74 and then a series of bad harvests. There are really just too many coincidences in all this. Nor is it really helpful to OECD's case that in the middle stages of a world economic recovery which is weak and disappointing in the light of its own target, the average rate of inflation in member countries has already started rising and is now above 9 per cent, after reaching a low point of only 8 1/2 per cent in the last recession. Inconvenient facts will not go away by suggesting, as Mr. Healey did this Tuesday, with his characteristic elegance of argument, that those who point them out are asking us to choose "between the dictatorship of the Communist Party and the dictatorship of General Pinochet."

Readers of the OECD report should turn at an early stage to the short notes of reservation by individual members of the OECD team. Professor Herbert Giersch, after calling into question the 5 1/2 per cent OECD target, goes on to say: "If a country suffers from inflation and unemployment it cannot be helped by other countries refuting their demand; any expansionary effect imported from abroad will rekindle inflation and inflationary expectations just as if it had emanated from inside the economy." The Bank thinks of it—as a warning to the unions against excessive wage claims; but at least there is no ambiguity about the policy laid down. The question is whether it will be adhered to if it conflicts with other objectives—in particular the maintenance of a supposedly competitive exchange rate.

German and Japanese experts, Milton Friedman has been the demonstration that money matters much less in all this than people think. Ten years ago he devoted a seminal Presidential Address to the American Economic Association to the long run futility of post-war full employment policies; and it was this address rather than more technical monetary arguments which converted me from the Keynesian approach.

Attempts by demand management of any kind—whether fiscal or monetary—to spend one's way into a target level of employment and activity might work for a while at the expense of a higher rate of inflation. But the trade-off was a transitional one and after a few years we would simply be left with higher inflation. A temporary rise in unemployment occurred while the inflation rate was being reduced; and there was a temporary reduction in unemployment while a higher rate of inflation was being established. But in the longer term there was no relation either way between inflation and unemployment.

Accounting and inflation

From Mr. J. A. Harbot.
Sir—The great inflation accounting debate continues and at a special meeting of the Institute of Chartered Accountants on July 6 a small body of accountants is seeking to prevent its compulsory reformation. Despite the well-publicised arguments put forward in favour of inflation accounting, I cannot escape from a deep sense of apprehension and feel sure that many other accountants must be similarly afflicted. The cause of the apprehension is hard to pinpoint, but I think it arises from a gut feeling that accounting for inflation is a form of capitulation to the ailment itself and far from helping to solve the problem will in exacerbate it by the additional prominence given to it. Is there perhaps an analogy with decimalisation which, with hindsight, is widely accepted as having contributed to inflation, whereas prior to its introduction no such after effect could have been foreseen?

that basis, it may be expected to apply to a broad spectrum of proposals to the effect of life assurance but clearly those whose medical background suggests a higher expectation of death during the term of the policy than the extreme of the permitted normal range must expect to be asked to make an extra contribution to compensate for this. To put the matter in perspective, in the calendar year 1976 almost 93 per cent of proposals to this society for life assurance were accepted at the ordinary rate of premium and only 1.6 per cent were dejected or had the decision delayed. The proportion accepted at ordinary rates in 1975 was 94 per cent. Furthermore out of the society's last declared rate of vested bonus for assurance contracts of 4.40 per cent per annum no more than 0.15 per cent was attributable to the society's mortality experience being more favourable than expected according to the premium bases. C. M. Cavaye, Scottish Widows' Fund and Life Assurance Society, P.O. Box 902, 15, Dalmeith Road, Edinburgh.

therefore consider that I am paying adequate supplies of sugar and cereals to Community consumers in the shortage of a few years ago. Such shortages are recurring, but temporary. Are consumers to pay heavily for seven years for once to receive small gains in the eighth? The real shortage of sugar in the U.K. in 1974 was the result of brinkmanship by our incompetent politicians who failed to recognise that the Community's sugar agreement would not function under rapidly rising world prices. Why sell to the U.K. when the world price is three times as great? Mr. Tugendhat may want to demonstrate to the agricultural Ministers that he is not trying to destroy the CAP, but his examples are ill chosen. G. T. Gemmill, Agrarian Development Unit, School of Rural Economics and Related Studies, Wye College (University of London), Near Ashford, Kent.

I find it hard to accept that an efficient computerised organisation like the AA does not or could not maintain an adequate system of records within its existing administrative structure. After all, motor insurance companies manage to do it, and they have the infinitely more difficult task of reading through thousands of claim files to determine whether the circumstances of the accident were such as to invalidate the no claim bonus, or whether it should be preserved. To delete a bonus for every individual who has called on the services of the AA during the previous year would be a relatively simple matter, as no investigation of the nature of the car would be required.

I am afraid that, without some encouragement of this nature, many of the "non-claiming" motorists will drift away from the AA as subscriptions inevitably rise, and that surely is something that would be a matter for concern to the AA, as no one likes to lose their better risks. D. A. Hannan, 11 Hall Road, Leckhampton, Cheltenham, Glos.

Holdings by nominees

From Mr. P. Allyn.
Sir—As a statistician I would disagree with Mr. S. W. Fenwick (June 13). Until registers of their shareholders under Section 27 of the Companies Act 1976 then no true picture of nominee holdings can emerge. To say that it is unlikely that certain types of investor act as nominees will remain a subjective view until Section 27 produces some information.

If the circulation of all shareholders is unwelcome then registrars could call on a friendly statistician to suggest a random sample across all kinds of shareholder. P. V. Allyn, 23, Tintern Street, Clapham, S.W.4.

Added value and incomes

From Mr. E. Rutherford.
Sir—I was sorry to read (June 3) that Dr. Jones and Mr. Curry found difficulty in understanding the points I made in my response to their earlier letter. Let me try to direct their attention to one central flaw in their argument. I understand them, they advocate an incomes policy constructed in such a way that the scope for pay rises is increasingly restricted as the proportion of a firm's added value which is taken by wages increases. If added value, in the sense in which the term is used by economists, could be measured for an individual firm, it would be a measure of the efficiency of the firm as a combination of labour, capital equipment, managerial skill, etc. The ratio of wages to added value would imply anything about the efforts of the labour force. A firm which adopts a relatively capital intensive mode of production will have a relatively lower total wage bill for any level of added value. The labour force more efficiently generating value of the capital equipment available to them; there is no reason to suppose that the purchase of the equipment could only have been funded by wage restraint in earlier periods. It may well be that, within any particular industry, relatively more capital intensive modes of production should be encouraged, but it is absurd to

No claim bonus

From Mr. D. Hannan.
Sir—I have read with interest the correspondence on the Automobile Association breakdown services as I have myself corresponded at some length with the association on the subject of some form of "no claim bonus." I am very concerned at the figure quoted by Mr. Campbell (June 8) of claims on the breakdown service being made by an average of about half the membership. In a membership of over 40 years, partly with the RAG and partly with the AA, I have availed myself of this service only twice, in 1936 and again in 1968. I should like to see the evidence that "well maintained cars" show little difference in the breakdown rate, as on those occasions when I have myself rendered roadside assistance, it has seemed very obvious that the need for assistance stemmed from a combination of ignorance and lack of proper maintenance. Regular servicing at intervals of 3,000 or 6,000 miles is now a very expensive item, and I suspect that there are large numbers of motorists whose cars are not regularly serviced in accordance with makers' instructions. I

Part-time directors

From the Chairman, Brian Woodhead and Co.
Sir—There were good topical points in Mr. Hutchinson's letter (June 11) and I have to agree that part-time directors are most successful and most marketable if they have a track record as executive directors. I would not rule out part-time directors as an aid to smaller companies, not as a "survival kit," but as a good value for money normal method of widening horizons and experience in a firm in which short term consultancy is not always appropriate, long term assistance from a part-time director can prove to be most acceptable to the firm, most successful in achieving results and rewarding in every way the director concerned. The key lies in matching the company's needs to the people available, and while there has never been such an ample supply of high calibre directors willing to undertake the part-time role, many companies do not yet realise how cost effective this form of assistance can be. A. E. Woodhead, 107, Harborne Road, Edgbaston, Birmingham.

European farm policy

From Mr. G. Gemmill.
From Mr. Christopher Tugendhat (June 9) it is to be congratulated on emphasising the largest flaw in the Common Agricultural Policy, namely the taking of decisions by the agricultural Ministers rather than by a more representative body (for example, European Parliament). At present such decisions must offer something for the farming lobby in every country, hence are an inflationary compromise. Mr. Tugendhat, however, claims benefits from the CAP which are misleading. He sees a world in which stable and plentiful supplies of food are "becoming almost daily rarer and more valuable," yet it is likely that by the end of this year there will again, as in the 1960s, be a large international surplus of grains. He cites the

Air mail rates

From Mr. A. Berry.
Sir—The Post Office has just put up its postage rates and I must write to congratulate Mr. Weiss (June 10) on pointing out to all businesses the steep increases being inflicted on commercial air letters. The blurb put out by the Post Office some weeks ago does indeed tend to mislead the unwary by its statement that there is "no increase in the air mail basic unit charges" while failing to point out that the new weight steps proposed increase the cost of a 15 gms. letter by between 57 per cent and 68 per cent, depending on the zone to which the letter is addressed. Altering the weight steps in this way is a real blow for exporters who, quite logically, do not use the airmail service for single-dest correspondence alone, but mainly for sending out pro-forma invoices, leaflets, shipping documents, etc., all vital stuff which forms the day-to-day life of an exporter. Surely, if the weight steps had to be changed as part of a policy of rationalisation, why could not the Post Office have adjusted its charges accordingly to soften the blow? A. C. Berry, 21, Trachern Lodge, Walspole Road, Teddington, Middx.

Premium rates

From the Deputy General Manager and Secretary, Scottish Widows' Fund and Life Assurance Society.
Sir—It would be unfortunate if Mr. A. D. Leverage's letter (June 11) were allowed to pass unchallenged, particularly the comments in his first paragraph. It is true that this society, in common with all life offices, exercises a degree of selection in the risks it underwrites, but this is merely symptomatic of the society's normal commercial prudence and it would be quite wrong to conclude that resulting mortality profits are a major contributory factor to the outstanding results achieved for with profits policyholders. In fixing premium rates three principal factors have to be taken into account, namely, the likely rate of return on premiums to be invested over a considerable time in the future, the likely level of expenses to be incurred, and the likely incidence of death claims. Of these only the last can be forecast with any degree of precision. The likely rate of return on investments is largely a matter of educated guesswork and prudence dictates that a conservative view of interest rates must be taken at the outset. It is the difference between this assumption and investment results ultimately achieved which is the major contributory factor when surplus for distribution as bonus is established. So far as mortality risk is concerned, there is available a large mass of published statistical information based on actual mortality of lives "selected" for life assurance. The assumptions on which premium rates are founded will depend on the individual office's view of the extent to which its own experience may be expected to follow or diverge from the pattern of standard mortality tables. Having fixed

AA surcharge on vehicles

From the Public Relations Manager, The Automobile Association.
Sir—In answer to Mr. D. Bell (June 11) the Automobile Association is not alone in levying a surcharge on vehicles over five years old being taken to the Continent, the drivers having sensibly affected AA Five-Star touring cover to protect them against unforeseen happenings. Unlike normal day-to-day travel in this country, the risk of trouble arising abroad is far greater. Large mileages are invariably covered in a comparatively short time, heavy loads are carried, high ambient temperatures are experienced in many places and the generally better road conditions give rise to higher consistent speeds over longer distances. In short, the conditions under which GB motorists travel on the Continent are vastly different from those experienced at home and place added stresses and strains on older vehicles. There is also the added difficulty of obtaining spares for these vehicles and because of this they often have to be transported back instead of being put right on the spot. R. S. Campbell, The Automobile Association, Farnham House, Basingstoke, Hants.

Delay and interest

From Mr. J. da Silva.
Sir—The conclusion of David Wainman's article "delay and interest" (June 11) strikes not so much about its raw nerves. Our tax system is now so complicated, and the Revenue armed with such arbitrary powers, that the individual taxpayer is increasingly obliged to turn to professional advisers. In the many years used of a well-known firm of City accountants I had to take my account elsewhere in 1975 because of the rapid inflation of their fees. I settled their account up to that time and thought I had effected a worthwhile economy. Not so. Correspondence with my new accountants and queries from the Revenue relating to previous years have now produced a further bill for over £700 which is not only not deductible but itself attracts more tax in the form of VAT. Either the system should be modified or the individual allowed to deduct accountancy charges. J. B. da Silva, Copse Close, Virginia Water, Surrey.

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GENERAL
Overseas trade figures and balance of payments current account for May.
Prime Minister meeting building employers, architects and representatives of National Joint Council and the Civil Engineering Construction Board to discuss investment.
General Election in Irish Republic.
PARLIAMENTARY BUSINESS
House of Commons: Motion on Equalisation Bill, committee. Committee of Food Premises (Scotland) Bill, committee.
OFFICIAL STATISTICS
U.K. banks' assets and liabilities and the money stock (mid-May). London dollar and sterling certificates of deposit (mid-May). Index of industrial production (April).
COMPANY RESULTS
British and Commonwealth Shipping (full year). English China Clay (half-year). Arthur Guinness Son and Co. (half-year). London and Overseas Freighters (full year). Tate and Lyle (half-year). UBSA Group (full year).
COMPANY MEETINGS
Aldgate Industries, Connaught Rooms, W.C.12. Allebone, Kettering, 12. Allied Leather Industries, Grosvenor Victoria Hotel, S.W.11. Automotive Products, Grosvenor House, W.12. J. Compton and Webb, Quaglino's, S.W.12. Croda International, Connaught Rooms, W.C.12. Dutton-Forsyth, Park Lane Hotel, W.12. Executive Clashes, Leeds 11.30. GHP Group, 87, Tooty Street, S.E.12.30. Industrial and General Trust, Winchester House, E.C.12.45. John Laing, Hemel Hempstead, 2.15. London and Scottish Marine Oil, Winchester House, E.C.3.15. Morgan Crucible, Battersea Works, S.E.4.30. Porter Chadburn, Liverpool, 12.15. Purbeck, Isleworth 12.15. J. and L. Randall, Pottery Bar, 11.30. Scottish Mortgage and Trust, Edinburgh, 10.30. Usher-Walker, Connaught Rooms, W.C.12.

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COMPANY NEWS + COMMENT

Chubb advances £2.3m. to best ever £14.1m.

GROUP turnover of Chubb and Son rose from £133.2m. to £155.4m. for the year ended March 31, 1977, and pre-tax profit was ahead from £11.7m. to a record £14.1m., after being up from £4.3m. to £5.1m. at half-time.

For the year stated earnings per 20p share are up from 11.15p to 13.31p—the net final dividend is 2.28p for a total of 3.50p (13.15p). If ACT is reduced an additional payment will be made.

The retained profit figure is £13m. (£8.8m.) but in addition there has been taken to reserves some £42,000, being the increase in opening values of stock and work in progress.

Tax has continued to be provided fully on the profits of the year, including some £2.87m. transferred to deferred taxation. It is intended to review the policy during the coming year with the object of reducing the deferred taxation provision wherever appropriate.

The figures do not include the trading results of Gross Cash Registers or its subsidiaries, purchased with effect from January 19, 1977, or for L. and F. Willenbach purchased with effect from January 1, 1977, although the Chubb shares issued in connection with the purchase of both companies rank for payment of the final dividend.

| | | |
|----------------------|--------|--------|
| Turnover | 1976-7 | 1975-6 |
| Trading profit | 15,256 | 12,354 |
| Net interest | 1,721 | 1,300 |
| Share issue | 1,731 | 51 |
| Profit before tax | 14,108 | 13,705 |
| Income tax | 2,287 | 2,253 |
| Overseas | 679 | 679 |
| Net profit | 11,150 | 10,752 |
| Attributable | 716 | 700 |
| Extraordinary | 6,434 | 4,572 |
| Dividends | 1,713 | 1,490 |
| To casual redemption | 19 | 10 |
| Retained | 4,118 | 2,632 |

comment

Chubb's full-year profits are up to expectations with a rise of a fifth pre-tax, helped by a material increase from the Europe operations, which made profits of only £11,000 in 1975-76 on sales of £25m. Evidently margins in Europe are still below par, but they are improving. The U.K. business has been fairly unexciting and Canada has been held back by anti-inflation legislation. For the current year steady progress can be expected from existing operations and the company will be making its first inroads into the U.S. market. This is likely to be fairly modest at first. The Gross Cash acquisition will be consolidated this time and Chubb reckons it will have curbed its losses by the year-end and brought it up to break-even and profits of £1m. could be made by 1980. At 112p the p/e is 8; but the yield of 4.9 per cent. is a point below the industrial average, though with a cover of 3.1 times there is room to manoeuvre if dividend legislation is lifted next year.

HIGHLIGHTS

The bid defence document from Fodens reveals a substantial turnaround in profits and shareholders are strongly advised not to accept the Rolls-Royce offer. Lex also covers the CompAir half-time statement, where profits are 70 per cent. higher thanks to the strength of the export business—three-quarters of total sales—in particular the U.S. and Australian markets. Armitage Shanks has been held back by the slump in the building trade in most of the countries where the company operates and profits are £1m. lower, while there are few encouraging signs this year. A strong trend in its European operations has been the driving force at Chubb and profits are 20 per cent. higher. At Lindustries, however, there was a noticeable slowdown in the growth rate during the second half with the textile side the main problem area.

Downturn at Armitage Shanks

SECOND HALF profits of Armitage Shanks Group fell from £1.72m. to £1.37m., leaving the total for the year ended April 2, 1977 down from £2.72m. to £2.29m. Turnover reached a record £39.12m. against £31.08m.

Mr. Kennedy Campbell, chairman, says that the building industry has taken a succession of blows which few other sectors could have endured and this has adversely affected profits. This has also postponed the benefits expected from the policy of increasing U.K. stocks.

Although overseas profits were similarly affected export markets from the U.K. are maintaining the recovery begun in the second half of the year, he adds.

After tax and minorities the net profit balance comes through at £1.32m. against £1.35m. Earnings per 25p share are stated at 7.37p compared with 8.66p.

A second interim dividend of 2.25p maintains the net total at 4.5p. If the tax rate is reduced before the AGM on August 11, a final will also be paid to meet the change.

Assuming a reduction to 33 per cent. this final would be 0.77p net, making the second interim and final net dividends equivalent to a gross distribution of 3.46p, the same as last year. The second interim will absorb £471,000, with the proposed final costing another £14,000.

| | | |
|-------------------|---------|--------|
| 1976-77 | 1975-76 | |
| Turnover | 39,120 | 31,080 |
| Trading profit | 2,618 | 3,349 |
| Tax interest | 63 | 54 |
| Share issue | 1,731 | 51 |
| Profit before tax | 2,447 | 2,717 |
| Income tax | 71 | 1,446 |
| Net profit | 1,569 | 1,471 |
| Minorities | 94 | 91 |
| Net profit | 1,522 | 1,380 |
| Attributable | 92 | 11 |
| Extraordinary | 471 | 737 |
| Dividends | 471 | 737 |
| Retained | 471 | 737 |

With provision for deferred tax no longer considered necessary

dividend is stepped up from 1.225p to 1.5p—last year's total was 3.385p.

Victoria Carpet lower

AFTER THE large downturn from £44.144 to £27,327 at half-way, Victoria Carpet Holdings was £247,977 for the 26 weeks to April 2, 1977, compared with £378,215 for the previous 52 weeks, before tax of £134,926 (£234,875).

Dividend total is maintained at 1.9076p net with a final of 0.9701p. In December last year the directors hoped that the dividend would be held.

Tomkinsons Holdings headway

Carpet makers and spinners Tomkinsons (Holdings) improved taxable profit from £22,000 to £32,000 on sales up from £4,57m. to £5.63m. in the 26 weeks ended March 26, 1977. The directors expect the home carpet market to remain difficult in the second half and continuance of the present profit trend depends on the success of exports, says Mr. K. R. G. Tomkinson, the chairman.

During the first half home market carpet sales reached a new nadir, so the company has continued its successful policy of building up export sales which have so far remained buoyant, Mr. Tomkinson says.

The American carpet company expanded its export markets and as a result traded profitably. The yarn spinning operation continues to grow as planned and the directors expect a steady increase in cash flow and profits there in the future. The tufted company has suffered substantial losses and necessary steps to stabilise the situation in the second half, have been taken.

The retained account of any likely deferred tax there is an extraordinary credit of £34,000 from the gain on a sale of surplus fixed assets originally purchased in connection with the company's spinning mill development.

| | | |
|----------------|--------|--------|
| 1977 | 1976 | |
| Sales | 5,630 | 4,570 |
| Pre-tax profit | 32,000 | 22,000 |
| Income tax | 25 | 12 |
| Extraordinary | 24 | 24 |
| Attributable | 73 | 10 |

Feedex chairman confident

MR. J. R. WILLIAMS, chairman of Feedex, continues to feel confident that by investing in British agriculture the company will maintain a good rate of growth, he tells members in his annual statement.

Regarding the present year, the engineering division is in a very strong position, with a good forward order book, he says. The feed division tonnage continues to increase, but so long as returns from pig production are depressed there will be continuing pressure upon feed margins. Recent changes in the Common Market Agricultural Policy terms will go some small way towards restoring pig margins and market forces should give further impetus to this as the supply of pigs is reduced.

While the timing is difficult to forecast because of political factors increased investment in pig production will in due course bring its returns.

As reported May 5, pre-tax profit for 1976 improved from £0.79m. to £0.93m. and turnover was up from £11.61m. to £13.27m. While this represents a slight decrease in the rate of expansion of profits compared with the half year's results, the underlying reasons are political factors surrounding the pig industry within the EEC, in that pig meat entering the U.K. from the Continent is heavily subsidised compared with the same British product. These are factors which are not within the company's control and he is confident that when these problems are resolved, the rate of growth will be restored. There has been further re-investment within the group during 1976.

The investment of £200,000 in nearing completion at Taylors of Consett, where the factory has been doubled, taking full advantage of the grants available within this special development area. At the same time, Rowlands of Aylsham has also in hand an extension to its factory which will alleviate the pressure on production space.

Meeting, Burswick, July 6, 6 p.m.

IDRIS HYDRAULIC TIN LIMITED

Extracts from the Statement of the Chairman, J N Savory MBE

The gross profit for the year 1976 amounts to £343,207. Output at 274m. tons was down on 1975, due to the planned transfer of mining operations from the South Western area to the new Central area, but sales were marginally up at 359m. tons, because 85m. tons were carried over from the end of 1975 due to Export Control.

The net profit amounted to £121,959 (1975—£144,087). Following Treasury exemption from legislation restricting payments your Board have declared dividends totalling 9p per share (1975—7.15p) at a cost of £15,200, leaving the balance to be carried forward increased by £5,759 at £73,776.

Development of the Central Area was confined to non-productive stripping of overburden until May. Thereafter, hydraulic plant operated in poor ground with improving results towards the end of the year as depth increased.

The continuation of operations at the South Western area will depend upon the amount of payable ground encountered during clean-up operations on the paddock floor, but it is unlikely that this section will continue in operation beyond the end of the present financial year.

Production for the first four months of the current year amounts to 109m. tons compared with 115m. tons for the same period last year. Our General Managers expect that overall results for this year will be slightly higher than for the year under review. In 1975 however our production will be coming solely from lower grade ground and must be expected to contract accordingly.



Mr. Niall Macdiarmid, chairman of CompAir, who reports a £2.94m. advance in first-half profits.

DIVIDENDS ANNOUNCED

| Company | Current payment | Date | Corre. Total | Total |
|-------------------------|-----------------|---------|--------------|-------|
| Alliance Inv. | 1.63 | July 21 | 1.26* | 2.45 |
| American Assoc. | 1.0 | July 16 | 0.18 | 1.0 |
| Armitage Shanks 2nd int | 2.23 | Oct. 1 | 2.23 | 4.2 |
| Attwood Garages | 0.54 | July 27 | 0.44 | 1.45 |
| Bluemel Bros. | 1.5 | Sept. 8 | 1.25 | 3.34 |
| Carlton Inds. | 3.4 | Aug. 15 | 3.09 | 4.9 |
| Chubb | 2.27 | Aug. 31 | 2.0 | 3.5 |
| CompAir | 1.5 | Oct. 1 | 1.43 | 1.43 |
| Ferro Metal | 2.19 | Aug. 26 | 1.2 | 3.21 |
| Goldrei Fouchard | 1.6 | Aug. 1 | 1.46 | 2.4 |
| Highgate & Job | 1.4 | Aug. 15 | 1.29 | 2.0 |
| Inver Gordon Distillers | 1.4 | Oct. 3 | 0.59 | 0.7 |
| Lendu Rubber | 0.7 | Oct. 3 | 2.8 | 4.4 |
| Lindustries | 3.0 | Oct. 3 | 2.8 | 4.4 |
| Piccadilly Theatre | 1.63 | July 27 | 1.63 | 1.63 |
| Property Partnerships | 0.82 | Aug. 23 | 0.73 | 1.57 |
| Rembla Rubber | 0.82 | Aug. 23 | 0.73 | 1.57 |
| United States & Gen. | 1.58 | July 15 | 1.43 | 2.99 |
| Victoria Carpet | 0.97 | Aug. 18 | 0.97 | 1.41 |
| Warren Plantation | 6.1 | Aug. 1 | 4.15 | 9.1 |

Increase to £6.61m. by Lindustries

BOTH TURNOVER and profit of all divisions at Lindustries showed increases during the year ended April 2, 1977, and the directors report that the current year has started well.

Stated earnings per 25p share were £78.96m. and pre-tax profit £6.61m. For the previous 12 months the figures were £70.4m. and £5.13m. respectively and the 18 months to April 3, 1976, £104.89m. and £7.03m. respectively.

Stated earnings per 25p share are 17.6p. This compares with 12.9p and 17.4p respectively. The net final dividend for 1976-77 is 9p for a total of 4.4p, compared with 6p in the previous 18 months. If ACT is reduced an additional payment will be made.

Exports increased by 25 per cent. over the year.

The improvement in the engineering division is largely attributable to strong performances by the subsidiaries manufacturing motor vehicle components and equipment for the brewing industry. Good results were also recorded by the company producing metal forming machinery and bulk handling equipment for the mining industry.

Four of the companies in the polymer division returned higher profits, with particularly good performances in the plastic dispensers and rubber moulding businesses. The other two subsidiaries had a difficult year due to unfavourable trading conditions.

| | | | |
|-------------------|----------|---------|---------|
| Year | 18 mths. | 1976-77 | 1975-76 |
| Turnover | 78,864 | 191,287 | 181,587 |
| Engineering | 2,200 | 14,587 | 14,587 |
| Polymer | 14,856 | 17,700 | 17,700 |
| Textile | 19,893 | 22,388 | 22,388 |
| Overseas | 1,907 | 2,002 | 2,002 |
| Investment | 1,907 | 2,002 | 2,002 |
| Interest payable | 496 | 1,063 | 1,063 |
| Income tax | 2,200 | 2,200 | 2,200 |
| Profit before tax | 6,605 | 7,031 | 7,031 |
| Taxation | 5,070 | 3,429 | 3,429 |
| Minorities | 210 | 271 | 271 |
| Extraordinary | 1,187 | 462 | 462 |
| Attributable | 39 | 39 | 39 |
| Preference | 39 | 39 | 39 |
| Deferred | 616 | 1,162 | 1,162 |
| Retained | 2,274 | 2,752 | 2,752 |

Margins in the textile division were under pressure in the home market but profits were maintained as a result of the high level of exports in the thread business and also to increased profits from the yarn manufacturing company in Eire. The netting and twine business was sold during the year.

Carlton up 40% & expanding

ON A TURNOVER showing a marginal increase from £76.25m. to £77.29m., profits of Carlton Industries, a principal subsidiary of London Merchant Securities, jumped by 40 per cent. to £7.51m. in the year ended March 31, 1977. This takes them well above the previous record of £5.52m. reached in 1973-74.

The directors report that group borrowings have been reduced to 43 per cent. of the total capital; if present trends continue a further substantial profit rise with a further reduction in gearing are expected in the current year.

Earnings per 25p share based on actual tax charge are shown at 20.6p (9.2p) and on a notional 53 per cent. tax charge at 12.9p (8.3p). The dividend total is £22.1m. against tangible shareholdings of £29.9m. However, most of the market interest is centred around London Merchant Securities' 78 per cent. stake, and the belief that it will do some things to buy out this minority sooner rather than later.

| | | |
|-------------------|---------|--------|
| 1976-77 | 1975-76 | |
| Turnover | 77,290 | 76,250 |
| Profit before tax | 7,510 | 5,520 |
| Income tax | 2,530 | 2,700 |
| Minority interest | 380 | 307 |
| Net profit | 4,580 | 2,513 |
| Retained | 4,040 | 1,950 |

It has been decided to implement the proposals contained in the 1975-76 profit-sharing provision has been made for deferred tax where it is unlikely to become payable within a five-year period. A notional tax charge at 52 per cent. would have been £4.08m.

Comben Group, the housebuilding offshoot, which announces a marginal rise in profits from £1.17m. to £1.25m. has altered its accounting policy to the more conservative basis of not adding interest to land values and of taking profits only when legal contracts have been completed. The 1975-76 profit-sharing has been adjusted on the old accounting basis that year's profit was £1.33m. The directors say that the result comes at the end of a difficult year when increased mortgage interest rates created great uncertainty in the market. Trading for the year to date shows some increase over the comparable period of last year and profits for the current year are expected at least to be maintained at last year's level.

Earnings per share on actual charge are stated at 4.8p (2.8p) and on notional 52 per cent. charge at 2.4p (2.2p). The dividend is unchanged at 1.45p net, with a final of 1p.

At the whisky subsidiary, Inver Gordon Distillers (Holdings), profits rose from £1.53m. to £1.54m. and earnings per 25p share went up from 3.25p to 7.04p. On a notional tax charge of 62 per cent., earnings would be 4.54p (2.83p).

The dividend is raised from 1.8436p to 2p net, with a final of 1.4p.

comment

The major driving force behind Carlton's 47 per cent. increase in profits comes from the batteries division, where profits are higher by two-thirds on a sales advance of 28 per cent. Replacement demand has been soaring ahead because of the effect of last year's net balance emerged at hot summer, and is evidently £100,895 (£140,919).

Stated earnings per 10p share were 3.2p (7.5p) and the net final dividend is 2.15p for a total of 3.65p (4.60p).

After tax of £176,000 (£215,855) the net balance emerged at hot summer, and is evidently £100,895 (£140,919).

Expanding?

GMC

offers a helping hand

with information on property and land availability, help in claiming government grants and other assistance, with advice on various regulations, planning matters, sources of funds and many other problems.

Have a talk with: The Industrial Development Group,
Greater Manchester Council
County Hall, Manchester M60 3HP.
Telephone 061-247 3311

"We look forward to another year of record results"

Extracts from the Statement to Shareholders by Mr. R. L. Doughty Chairman.

"The company had a very successful year in 1976 and I am pleased to tell you that trading to date in 1977 has shown further advancement.

The headway made resulted from improvement in almost all our interests and is summarised in the following figures for 1976:-

| | |
|---|----------------------|
| Sales | £35,003,496 + 49.45% |
| Profit before tax | £3,606,109 + 44.23% |
| Tax | |
| Profit available to Ordinary shareholders | £1,290,419 + 92.72% |
| Profit per Ordinary share | 39.71p + 27.40% |

As you can see the increases were very much more than the rate of inflation and therefore represents substantial improvement in real terms to your company.

The dividend was increased by one-tenth—the maximum permitted by current legislation and as you will have read in the recent letter regarding the issue of additional shares, H.M. Treasury has granted permission, in the context of the rights issue, to increase the dividends for the current year's trading by 25%.

PROSPECTS

Almost all sectors of the business show increases in the first quarter of the year. We therefore believe it is reasonable to look forward to another year of record results, though it would perhaps be too optimistic to anticipate percentage increases as large as those we were fortunate enough to secure in 1976."

Marshall's Universal

If you require a copy of the Report and Accounts please write to the Secretary at:-
Marshall's Universal Limited,
Marshall's House, 463-473 Purley Way,
Croydon, Surrey CR9 4BL.

Zurich Life?

Never heard of it!

That's hardly surprising. Because Zurich Life is the brand new name of Zurich Insurance's life company in the U.K. Previously known as the Bedford Life Assurance Society, it was established in 1961, and has been expanding successfully since then.

So, why the change of name? It's because Zurich feels that its life assurance operation should enjoy even stronger identification with the Zurich Group, which has worldwide assets in excess of £1,500 million. Zurich is big in life too. The gross premium income of its life offices throughout the globe topped £230 million in 1976 with funds in excess of £1,220 million.

Zurich Life has recently introduced two new High Bonus Life and Endowment Assurance policies. These offer many advantageous features: initial guarantee of high profits; permanent life assurance cover; option to increase cover and additional benefits option. And the inflation-fighting Z Investment Plan, introduced last year, has already proved to be very successful. Now, plans are well advanced for a further range of new investment policies.

If you would like any further details of Zurich Life Assurance Company and their attractive policies, please fill in the coupon below, or ring your nearest Zurich or Zurich Life office where you will be automatically transferred, at no cost, to Zurich's centralised Life Information Service, at Head Office, Portsmouth.

To: Zurich Life Assurance Co. Ltd., Freeport, Portsmouth PO1 2BR. FT16/6/77
Please send me details of your High Bonus and Z Investment policies.

Name.....
Position.....
Company.....
Address.....

ZURICH LIFE

J.P. 1001550

CompAir £5.8m. midway Warren Plant. and improving soars £2.76m.

Sales of CompAir expanded from £48.15m to £53.98m for the half year to April 3, 1977, and pre-tax profit improved from £5.45m to £5.98m.

BOARD MEETINGS

The following companies have notified the Stock Exchange of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividend proposals.

Directors say. However, they hope for a similar outcome. Stated earnings per 50p share reached 12.5p (3.7p) and the net total dividend is doubled to 4p with a final 3p.

FOR 1976 taxable profit soared by £2.76m to £4.67m for Warren Plantation Holdings. Turnover was ahead from £9.56m to £15.91m.

Under a new accounting policy year-end stocks are valued at cost. On the previous reporting basis full-time profit would have been £7.16m.

Table with columns for Sales, Trading profit, Interest, etc.

Canadian & Foreign Investment

Mr. N. O. Tamba, the chairman of Canadian and Foreign Investment Trust, says in his annual statement that the group's investment in Canada, traditionally an important part of the holdings, has been reduced during 1976-77 from 13 to 7 per cent of assets.

Confidence at Fidelity Radio

The first half will follow the seasonal pattern at Fidelity Radio but Mr. J. Dickman, chairman, looks forward with confidence to a year of continued growth.

George Wills expecting better 1977

The fortunes of George Wills and Sons (Holdings) will continue to improve in 1977, according to Mr. P. A. Wills, chairman, who says he makes the forecast with a fair degree of confidence.

Tridant Printers expands

A SUBSTANTIAL increase in second half profits from £194,023 to £289,833, has enabled Tridant Group Printers to turn in £701,793 for the year ended March 31, 1977, compared with £422,623.

Highgate and Job advances to £264,000

With the recovery in the protein division from a £42,073 pre-tax loss to £57,559 profit, marine oil refiners and protein meal producers, Highgate and Job Group achieved an advance in pre-tax profit from a depressed £28,500 to £9,384 in the year to March 31, 1977. Sales were ahead by £9.82m to £23.84m.

Barr & Wallace outlook

THE final result for 1977 at Barr and Wallace Arnold Trust will be similar to last year's record pre-tax profit of £1.1m, but Mr. J. M. Barr, chairman, expects a different pattern of contributions from the divisions.

Property Partnerships pays 1.573p

Profit of Property Partnerships rose from £181,293 to £219,704 for the year to March 31, 1977, subject to tax of 1,385,972, compared with £182,189. But after extra-ordinary debit of £124,738, against £1,973 credit, there is a deficit of £14,006 (£80,102 surplus).

Alliance Inv. improvement

After higher interest charges of £252,636, compared with £173,393, revenue of Alliance Investment

Edinburgh Investment

Edinburgh Investment Trust has borrowed U.S.\$5m for an initial term of one year.

Rowton Hotels to meet new requirements

Under the new accounting rules Rowton Hotels will have to provide for depreciation on its freehold buildings in future. In the past the directors have not considered this depreciation necessary.

Yule Catto

The holders of 553,725 7½ per cent convertible unsecured Loan stock 1983-88 of Yule Catto have while retaining its turnover, and it is hard to see that it can fall their stock into 1,287,733 to swing from loss to profit. The Ordinary shares.

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 5 per cent (since May 12, 1977). Fixed period interest rates were slightly easier in general in the London money market yesterday.

Which construction company owns 100 quarries with reserves of 3000 million tonnes of stone?

Tarmac advertisement with logo and text: 'But where do these huge natural resources go? Only about one third of our annual production becomes road surfacing. The other two thirds is sold for the manufacture of such diverse products as iron and steel, chemicals, adhesives, sugar, glass, plastics, rubber, ceramics, cattle foods. Not to mention vast quantities for concrete, rail ballast and filter beds.'

Associated Japanese Bank (International) Limited advertisement with logo 'ajb' and text: 'Providing a full range of Short, Medium and Long Term Credits Eurocurrency Deposit and Foreign Exchange Dealing Underwriting and Distribution of Securities'

Pritchard Services Group

DECADE OF UNINTERRUPTED GROWTH

| | | |
|--------------------|---------|---------|
| Sales | 1976 | 1975 |
| Trading Profit | £43.6m | £37.0m |
| Dividends | £ 2.2m | £ 1.9m |
| Earnings per Share | 1.3302p | 1.2093p |
| | 3.60p | 3.22p |

HIGHLIGHTS FROM CHAIRMAN PETER PRITCHARD'S 1976 REPORT

- BUILDING CLEANING SERVICES—SATISFACTORY GROWTH
- EXTENDED INTO HYGIENE SERVICES—PROVIDING SPECIALIST KITCHEN AND WASHROOM CLEANING
- LINEN RENTAL CONTINUED GROWTH—EXTRA CAPACITY ADDED TO BASINGSTOKE PLANT
- SECURITY SERVICES, TIMBER PRESERVATION AND DAMP PROOFING DEVELOPED SATISFACTORILY
- OVERSEAS DEVELOPMENT NOW ACCOUNTS FOR 50% OF TURNOVER

EXTENSION INTO PUBLIC CLEANSING SECTOR THROUGH PARTICIPATION WITH WASTE MANAGEMENT INC. IN THE £140M. STREET SWEEPING, REFUSE COLLECTION AND DISPOSAL CONTRACT IN RIYADH, SAUDI ARABIA

CANADIAN INDUSTRIAL CATERING COMPANY SECURED £5M. JAMES BAY CONTRACT PROVIDING CATERING AND JANITORIAL SERVICES FOR 2,700 CONSTRUCTION SITE WORKERS

CURRENT YEAR'S FIRST QUARTER'S PROFITS AFTER INTEREST UP 27% ON LAST YEAR

The A.G.M. will be held at Winchester House, London Wall, London EC2 on Friday, 24th June 1977 at 12 noon. Copies of the Annual Report can be obtained from The Secretary.



Hill Samuel seeking more growth overseas

WITH INCREASED insurance profits almost making up for the decrease on the banking side in 1976-77, Sir Kenneth Keith, chairman of the Hill Samuel Group, says that the remainder of the year is likely to be a record one for the group...

The overseas subsidiaries have not maintained the improved results shown in 1976-77. However, the chairman remains convinced that the group should continue its efforts towards greater overseas expansion and a number of steps have been taken to this end.

In South Africa the group has been adversely affected by the decline in the local property market as a result of which provisions have been necessary, to the detriment of profits.

Referring to the Louwes Lambert Group, Sir Kenneth reports that efforts are being made to increase overseas income while continuing to raise the high level of income from the U.K.

The chairman believes that inflation remains the most serious problem affecting this country—and it remains a serious problem for the year. Not only does it drive up costs but it also erodes the capital base with consequent effect on lending abilities.

Foreign exchange business continues to be a substantial profit earner and a second office is to be opened in the West End of London in the current year.

The chairman says that it has been a successful year for investment banking. The International Finance business also made good profits helped by the buoyant state of the international bond market.

Zurich Insurance, a Swiss insurance group, is one of the largest insurers in Europe with assets in excess of £1.8bn.

T. Harrison ahead at four months

Mr. T. C. Harrison, chairman of Sheffield-based vehicle distributor T. C. Harrison, told yesterday's AGM that the group is heading for another record year.

Mr. Harrison also revealed that the group intends reorganising its geographic spread of its activities to concentrate operations on the eastern side of the Pennines and actively pursue further growth within the area through acquisitions.

He told holders that 1977 had got off to an excellent start, and that profits for the first four months of the current year are considerably in excess of the comparable period of last year.

Mr. Harrison said that the group is still woefully short of cars and commercial vehicles and the position is not likely to improve in the short term, he said. However, the JCB division is making good use of the manufacturing activity to supply its needs.

Since the enlargement of the JCB franchise the group is now actively operating on the eastern side of the Pennines with the single exception of the car and truck franchise in Newcastle-under-Lyme. This depot contributes approximately 5 per cent of group profits and after careful consideration the directors have decided to make this subsidiary available for sale, the chairman said.

“It is our intention on disposal to make a generous offer to the shareholders”, he added.

Wire & Plastic sales growth

Mr. J. R. Valentine, chairman of Wire and Plastic Products, told the annual meeting that the policy of expanding the range of products had resulted in a substantial increase in turnover to the highest level in the history of the group.

Exports are particularly high and, despite a drop in demand, the group has managed to report larger profits for the full year.

BEDFORD LIFE NAME CHANGE

Bedford Life Assurance Society, the life company subsidiary of Zurich Insurance Company, is changing its name to Zurich Life Assurance Company.

Bedford Life was formed in 1961 and has grown steadily. Zurich Insurance considers that it is the right time for it to be more closely identified with its parent and hence the reason for the name change.

The company has recently introduced a new High Bonus series of life assurance contracts and plans are well advanced for the marketing of other contracts designed to attract the attention of investors. This is regarded as the beginning of the new phase in the development of the life company.

ANDREW WEIR

Andrew Weir, the private insurance broker and underwriting group, has acquired a 25 per cent holding in Resurvey Evaluation.

Resurvey Evaluation, a subsidiary of the group, is engaged in the sale of shares originally held by Fraser Ansbacher.

WILLIAMS HUDSON

Following the offer by Argo Group for the Ordinary and 5.3 per cent convertible unsecured ordinary shares of Williams Hudson Group, it now owns 92.82 per cent of the Ordinary.

The offer closes on July 1. The offer is subject to the approval of the shareholders of Williams Hudson Group.

RESULTS AND ACCOUNTS IN BRIEF

ABERDEEN INVESTMENTS

Results for year ended March 31, 1977, already known. Fixed assets £62.0m. Dividend £2.0m. Net assets £50.0m. Directors are anticipating a further increase in revenue in current year. Meeting, Aberdeen, June 22, at noon.

AMERICAN ASSOCIATION

Turnover for 1977, £1,461,858 (£1,162,889). Profit £282,224 (£252,900) after interest, £125,000 (£123,000) before tax £84,849 (£70,663). Earnings per 25p share 4.9p (4.6p). Dividend £1.2m (£1.2m).

ATTWOOD GARAGES

Final dividend £3,370, making 1.45p (same). Turnover for year to Jan. 31, 1977, £4,229,858 (£3,944,000). Profit £251,131 (£218,215) after all charges including tax of £41,016 (£38,500). Earnings per 25p share 1.23p (1.20p).

BELGRAVE ASSETS

Pre-tax profit for seven months to April 30, 1977, £2,808,858 (£2,619,174). Dividend £1,000,000 (£1,000,000). Earnings per 25p share 0.71p (0.70p). Interest 25p per 15 months to December 31, 1977 (£2.50 for six months), maximum permitted. The directors are considering their offer to seek redress for the company's ordinary shares.

DORAKARANDI RUBBER ESTATES

Results for 1976 reported June 7. Investments £44,387 (£44,387). Associate £80,881 (£80,881). Current assets £15,216 (£13,669). Current liabilities £13,254 (£13,300). Profit £2,263 (£2,263). Chairman says plantation companies are available for sale and some have been put up for sale. Satisfaction with 1977 results are currently indicated. Meeting, London, June 7, at 11.00a.m.

ESTATE INVESTMENTS TRUST

Results for year to March 31, 1977, reported April 28. Fixed assets £125.5m (£124.4m). Dividend £2.0m (£2.0m). Net assets £103.5m (£102.4m). Net

MINING NEWS

Marandoo looks to South Asia

BY PAUL CHEESEGRANT

AGAINST the background of Japanese reservations on large scale extra commitments to the development of the Western Australian iron ore industry, Marandoo has been seeking market outlets in the Middle East and South East Asia for Marandoo, the huge deposit which awaits exploitation.

Mr. Hancock's company, Hancock, is the joint owner of the deposit with the diversified U.S. group, Texasgulf.

The idea, as revealed to the Australian financial press by Mr. Hancock, is to sell iron ore to the strong electric arc steelmaking furnaces being built or planned in the Middle East and Asia. Iron ore could go from Marandoo to an offshore beneficiation plant in perhaps Singapore or Indonesia and then be re-exported.

The possibility of selling 5m. tonnes of iron ore to the Indonesian steel industry has also been raised. It seems unlikely that Marandoo could be brought to production on a major scale without Japanese orders. The partners have a letter of intent to purchase 2.5m. tonnes of iron ore from Marandoo, but no firm contract has been signed. Japanese caution about future iron ore needs was made clear when they being built or planned to sign contracts for extra supplies from existing Western Australian producers like Hamersley and Cliffs Bore River rather than competing investment in new projects like Marandoo.

Latterly the Japanese have revised downwards their projections for steel supply. Crude steel production in 1980 is expected to be 17m. tonnes, against earlier forecasts of 15.1m. tonnes and an industry capacity of 13.7m. tonnes.

Rio Tinto-Zinc & Westinghouse

RECENT WEAKNESS in shares of Rio Tinto-Zinc, which over the past seven days have fallen from 255p to 205p with a resultant drop of 50p, in the company's market value, have stemmed from uncertainties regarding the current litigation concerning Westinghouse Electric Corporation.

In an attempt to clarify the situation the U.K.-based mining group stated last night: “RTZ wishes to make it clear that the appearance of certain RTZ executives before Judge Merlidge sitting as an examiner at the U.S. Embassy in London results from the attempt by Westinghouse Electric Corporation to obtain information from uranium producers around the world which Westinghouse alleges would assist in its defence in an action brought by a number of U.S. utilities in a Federal District Court, against Westinghouse for breach of its contracts with them.

“The situation referred to in the RTZ annual report on accounts for 1976 concerning the proceedings in the U.S. District Court in Illinois, brought by Westinghouse Electric against RTZ, involving RTZ and certain group companies, remains unchanged.

“As was then stated, RTZ and the group companies deny liability for RTZ executives before Judge Merlidge sitting as an examiner at the U.S. Embassy in London. On legal advice RTZ and the other group companies concerned (except the two United States incorporated companies) have not appeared in the proceedings.”

In other words, important though the current litigation is, it does not directly affect RTZ. What will affect RTZ will be the outcome of the pending separate litigation between Westinghouse and the alleged cartel of world uranium producers. The latter is expected to be a series of judicial proceedings which seem likely to be very long lasting, even by legal standards.

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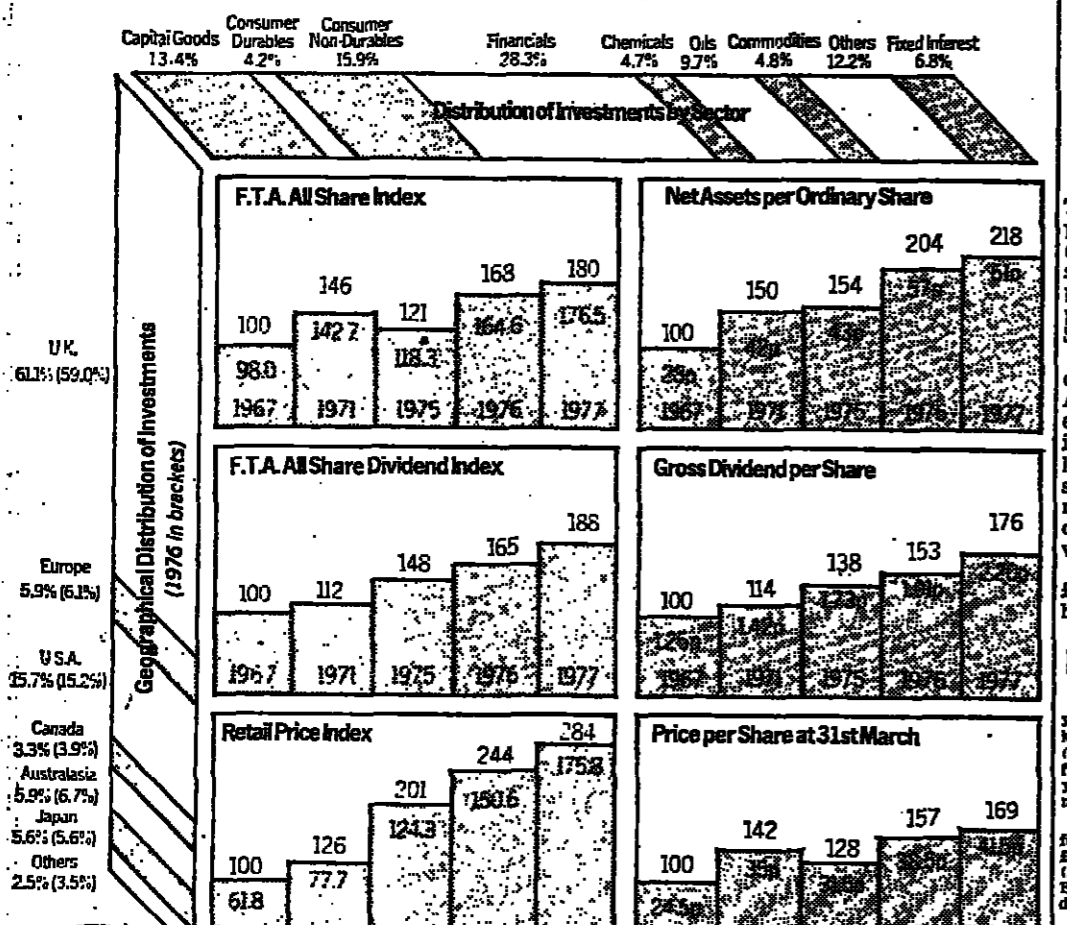
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MINING BRIEFS

MOUNT ISA MINES—Production for the period May 9 to June 3. Lead ore treated 28,512 tonnes, produced 11,446 tonnes grade lead and 11,562 tonnes concentrates. Copper ore treated 28,512 tonnes, produced 11,446 tonnes grade copper and 11,562 tonnes concentrates.

The Industrial and General Trust Limited

Total Assets at 31st March, 1977: £155.1 million.



A member of the Touche, Remnant Management Group. Total funds under Group management exceed £600 million.

The Report and Accounts can be obtained from The Industrial & General Trust Ltd., Winchester House, 77 London Wall, London EC2N 1BH.

The Guardian Investment Trust Company Limited

Mr M B Baring, Chairman, reports for year to 31st March 1977

- Record Gross Revenue
- Record Dividend Payment
- Outlook: further increased earnings and dividends at least maintained

| Year | Gross Revenue £000 | Net Dividend p. | Net Asset Value p. |
|------|--------------------|-----------------|--------------------|
| 1967 | 1,476 | 1.08 | 47.5 |
| 1975 | 2,141 | 1.75 | 64.3 |
| 1976 | 2,361 | 1.96 | 88.3 |
| 1977 | 2,704 | 2.35 | 93.0 |

Total assets of £56,000,000 spread as follows: UK 66% N. America 13% Far East 10% Europe 10% Other areas 1%. Individuals constitute 84% of Shareholders and hold 25% of all issued shares.

Inflation rate will start to ease soon, says report

THE WORST days of rising prices were over, and by the end of summer the inflation rate should be on a firmly downward path—a cost of living survey produced by Reward Regional Surveys said yesterday.

The report said living standards were still being squeezed. However, the survey predicted that earnings would increase by 15.7 per cent in the last year to maintain its living standards, but if it had only received its Phase Two 5 per cent budget would be £7 a week short.

Families in the £8,000 to £10,000 range have been squeezed hardest. On prices, the survey said consumer prices were rising at an annual rate of 17.1 per cent, but in the last four months there had been “encouraging signs of easing.”

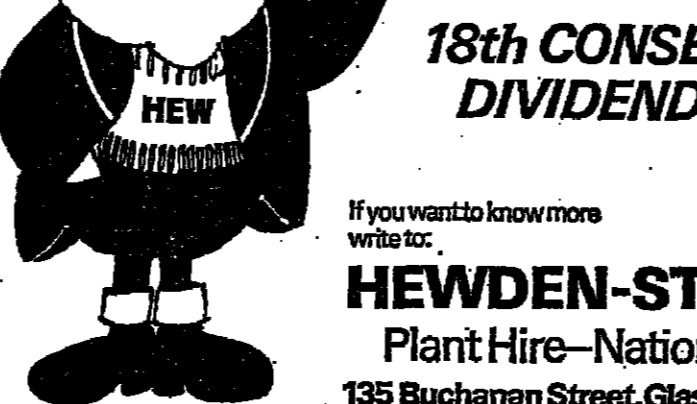
“The most dramatic improvement is in food prices—for long the Achilles heel of British inflation. The annual rate of the highest annual rates, being up 21.9 per cent, and 18.5 per cent, respectively.”

House prices have continued to rise at about 10 per cent a year, but in the past four months, owner occupiers have seen housing costs fall by 1.3 per cent, thanks to the May mortgage cuts.

HEW REPORTS

ANOTHER RECORD YEAR—PROFITS £3.328 MILLION

18th CONSECUTIVE DIVIDEND INCREASE



If you want to know more write to: HEWDEN-STUART Plant Hire—Nationwide 135 Buchanan Street, Glasgow G1 2JA

THE ENGINEERING, SHIPREPAIRING AND STOCKHOLDING GROUP

RICHARDSONS WESTGARTH

exceed profits forecast

- Group pre-tax profit for the year 1976 was the highest yet at £2.97m (previous nine months £1.35m) on a turnover of £44.9m (£28.15m).
- Earnings per 50p share were 9.2p (previous nine months 5.8p).
- Dividend increased by maximum permissible under current legislation and more than twice covered.
- The marine engineering subsidiary George Clark & N.E.M. Ltd., to be nationalised on 1st July, earned pre-tax profit for 1976 of £0.46m, just under 20% of the Group total.
- 1977 will therefore be an abnormal year for the Group. Compensation, when received, will be invested in subsidiaries with above average growth potential and in further acquisitions.

Copies of the full Report and Accounts can be obtained from The Secretary, Richardsons, Westgarth & Co. Ltd., P.O. Box 2, Wallsend, Tyne & Wear.

BRITISH-BORNEO PETROLEUM SYNDICATE LIMITED.

Extracts from the Statement of the Chairman, Mr. Campbell Nelson, at the 63rd Annual General Meeting held in London on 15th June, 1977

- The pre-tax profit of £767,000 and the net earnings of £403,000 are records for the Company. Both the interim and proposed final dividends have been increased to the maximum extent permitted by Government.
- The Stock Exchange value of our quoted investments at the end of the year was £9,174,000 which exceeded the Balance Sheet figure by £524,000, an improvement of £272,000 compared with the position at the end of the previous year. Since the end of the year there is a further appreciation in Stock Exchange values giving us today an additional surplus of £556,000.
- We have continued our increased activity in market dealings. The outcome for the year was very satisfactory in that the profit on dealings amounted to £395,000, compared with £341,000 in the previous year.
- The make-up of our Quoted Investments at 31st March last, at their then Stock Exchange values, was 79 per cent Oil Companies, 10 per cent Gold Mining and Mining Finance Companies, 9 per cent Industrials and 2 per cent Preference Shares. These percentages reflect higher values and increased investments in Oil Companies and lower values and some divestment in Gold Mining Companies.
- We have entered into arrangements with Ultrama Company Limited to join them, as partners, in oil and gas plays in Western Canada. Our initial investment, which will be modest, will be confined to operations giving promise of early pay-outs and attractive profitability.
- Our main activity continues to be investment in oil companies. There is a changing scene in the oil world. More and more of the ownership of oil reserves is passing into the hands of governments. The role of oil companies is to contribute expertise and risk capital to all operations in a variety of forms. These include partnerships and production sharing contracts with governments and government owned companies as well as a continuation of the traditional form of investment in all phases of the industry. The major oil companies have also made a significant move into diversification, particularly in the energy related fields. I believe these changes augur well for the oil companies and with the changes will come an improved image of the industry in the eyes of peoples and governments of the world.
- I want to pay a tribute to all of my colleagues on this Board of Directors. Each contributes an expertise which is reflected in the results I have presented to you. We are all enthusiastic to make a great success of this Company. In mid-December Consolidated Gold Fields made an offer for the shares not held by them at a price which was fair. By the time the documentation for the offer was completed the Stock Market had moved upwards and has continued to be materially higher than it was in mid-December. Gold Fields did not feel inclined to increase their offer which therefore lapsed. I know that it has not diminished in any way Gold Fields' friendship for us in this Company or their enthusiasm for the well-being and continued success of our operations.

Copies of the full Statement and the 1977 Report and Accounts are available from the Secretaries of the Company, 1-2 Broad Street Place, London EC2M 7EP.

BIDS AND DEALS

Fodens forecasting £1.7m. profit

Fodens, the specialist commercial vehicle manufacturer, is estimating pre-tax profits of around £1.7m. for the year ending April 3, 1977, in its first official reply to the unwelcome £8.5m. takeover bid from Rolls-Royce Motors.

Cavenham bid unconditional

Sir James Goldsmith's £40m. bid, through his French company Generale Occidentale, for half the 20 per cent of Cavenham which it does not already own, has been declared unconditional, as has the offer for half of the Cavenham warrants, and both offers have closed.

growth and that shareholders have much to gain from Fodens remaining independent. See Lex

VAUX DENIAL

The directors of Vaux Breweries state they are aware of the rumours surrounding recent movements in share price and have issued a statement to employees saying that so far as they know there is no more substance in the current rumour than in any previous one.

SHARE STAKES

John J. Jacobs: Mr. John H. Jacobs, director, and family now have a beneficial interest of 1.65m. shares (7.16 per cent.). A beneficial interest of 200,000 shares in the name of Lloyds Bank Trustees having become a non-beneficial interest.

100,000 shares out of his personal holding. Robb Caleton Shipbuilders: Mr. David J. Harrold has bought 22,900 shares making total holding 107,500 shares (7.55 per cent.).

Blundell PermoGlaze: Britannia Trust Management, the unit trust arm of Slater Kent, has acquired 20,000 shares in the name of Lloyds Bank Trustees having become a non-beneficial interest.

Best & May: Shareholders in Best and May have been sent details of the acquisition of Kent Electrical Wholesale which was first announced on May 11.

Blundell PermoGlaze: Britannia Trust Management, the unit trust arm of Slater Kent, has acquired 20,000 shares in the name of Lloyds Bank Trustees having become a non-beneficial interest.

Hay's Wharf sells Firth for £2.6m.

Proprietors of Hay's Wharf have sold its loss-making J. C. Firth (Refrigeration) subsidiary for £2.6m. in cash. The deal covers the goodwill of the assets and business of Firth, excluding debtors and creditors, and takes effect from June 15.

Cunard's £3.3m. purchase

Cunard Steam-Ship, a subsidiary of Trafalgar House, has purchased the Transmeridian Group for a maximum £3.3m. payable in cash, for assets not less than £2.4m. A pre-tax profit of £1m. for the current year is anticipated.

TREMLETTS

In yesterday's item on Vokeworth Securities and Tremletts it was incorrectly stated that Vokeworth had received acceptance for 77.5 per cent. of Tremletts, had declared the offer unconditional.

ASSOCIATE DEALS

Rewe and Pitman, Hurst-Brown has bought for a discretionary investment client £10,000 Rolls-Royce Motors Holdings 8 per cent convertible unsecured loan stock 1987-2002 at 578 per cent.

Intereuropean sees recovery

THE COMBINATION of sales already achieved and those under negotiation will result in such a large reduction in overall borrowings of Intereuropean Property Holdings that the immediate savings in interest charges will, on an annualised basis, clearly return the company to profitability and therefore the payment of dividends, says Mr. Laurie P. Marsh, chairman, in his annual statement.

Marshall's Universal sees progress

The directors of Marshall's Universal look forward to another year of record results but feel it too optimistic to anticipate the advance of the size achieved in 1976, says Mr. R. L. Doughty, the chairman, in his annual statement.

The official rejection document, which describes the bid as being both inadequate and without commercial logic, also tells shareholders that the current year has started well and that bearing's collapse in the demand for trucks, results for the new financial year will be "satisfactory".

Minimum profit protection under new prices policy

FINANCIAL TIMES REPORTER

RULES ON the minimum levels at which company profits are protected from compulsory reduction under the new prices policy are set out in a consultative document published by the Department of Prices and Consumer Protection yesterday.

Investigations into manufacturing and service companies will relate to individual products or services or to the ranges of products or services. The safeguards will accordingly relate primarily to the product or service under investigation.

But it is clear from the Bill— notably Clause 2—that both the Commission and the Secretary of State will take account of the relationship between the product or service and the enterprise price concerned. This relationship cannot easily be reflected in a general formula which is sufficiently precise to be applied directly by companies as a relief from price restriction orders.

Nevertheless, the Government recognises that especially during investigations the safeguard needs to relate not only to the product itself but also, even if indirectly, to the circumstances of the enterprise.

After an investigation or examination, the Price Commission will be able to reflect in its recommendations the relationship between the product and the enterprise, and the safeguard will then relate only to the product.

The Government proposes that both during and after investigations (and after examinations) the minimum margin over total costs for any product or service (or range) should be 3 per cent. This compares with 2½ per cent. in the present Code.

The Government recognises, however, that this minimum margin is of little reassurance to more capital-intensive groups, which require substantially higher margins over costs on each sale in order to service their larger capital requirements.

Accordingly, the Government proposes to introduce a sliding scale to give higher minimum margins to those companies whose larger capital base is proportionate to their turnover. The ratio of turnover to capital will be calculated for the unit for net profit margin control (under the Price Code) of which the product or service under investigation forms a part.

The ratio will then determine the entitlement to a minimum margin for each product or service (or range) within the net profit margin unit, in accordance with the following table:

Table with 2 columns: Turnover/capital ratio for profit margin unit, and percentage margin over total costs. Ranges from 3.0 and above (3%) to 1.0 and below (10%).

CREDITANSTALT-BANKVEREIN U.S. \$40,000,000 Floating Rate Notes, 1981. Notice is given pursuant to condition 3(d) of the terms and conditions of the above-mentioned Notes that the rate of interest (as therein defined) for the interest period (as therein defined) from 16th June, 1977 to 16th December, 1977 is at the annual rate of 7 per cent.

On this basis, and with a published report and an order subject to a satisfactory procedure, the safeguard which applies after investigation and examination and which releases an enterprise from the full application of the order should properly be less protective than the safeguards against erosion of margins which could be invoked during investigations.

Accordingly, the post-investigation and post-examination safeguard against erosion should be 50 per cent. of base margin on the product or service described above.

This would not involve any reduction of an interim price increase allowed during an investigation or of the price level recommended by the Commission in its report, or of any higher price level prescribed by an order. The 50 per cent. safeguard would act as a floor to the erosion of margins during the passage of time.

Margins over total costs on products or services (or ranges) should be calculated on similar lines to the calculations required for the cost-based controls in the existing Price Code, but with a number of detailed changes.

The following are the most important aspects of the calculations:

(a) Total costs should be calculated per unit of output as under the existing Code, but the current adjustments for expanded output and higher export sales will not apply to the new safeguards.

(b) The present option for calculation of depreciation charges (between multiplying historic depreciation by a factor of 1.4 and using revaluations which have already appeared in annual accounts as the basis for depreciation) will continue to be available. So will a provision on the lines of the present Code, whereby revaluations are to be used to determine the price for the costing of materials.

(c) The calculation of margins will exclude prices or charges exempted from the scope of the investigation or from the exemption power in Clause 22 (2) of the Price Commission Bill—for example, export prices.

(d) Margins will be required to relate to the ranges of products or services consistently used by companies in the past for their price-cost calculations.

(e) Margins—both at the time when the safeguard is invoked and, where appropriate, the base margin for the purposes of the erosion safeguards—will be expressed in percentage terms and will be measured at the date of a price increase rather than over a period.

The base margin for the erosion safeguards will, for price increases requiring pre-notification to the Price Commission, be the margin at the date of the latest price increase implemented before July 1, 1977, taking account of the costs noted as entering into the pricing in the notification of the relevant increase.

For price increases which are not pre-notified, the base margin will be the margin at the date before June 1 was actually implemented. For the purpose of determining the date of the latest price increase, those increases arising solely from the operation of escalation clauses or other factors mentioned in Articles 4(5) and 5 of the Notification Order 1976 No. 1170 as "floating" exemptions from pre-notification will be left out of account.

BLUNDELL PERMOGLAZE

Britannia Trust Management, the unit trust arm of Slater Kent, has acquired 20,000 shares in the name of Lloyds Bank Trustees having become a non-beneficial interest.

CHLORIDE GROUP

Chloride Group has issued a further 35,832 Ordinary shares in accordance with the terms of the acquisition of Industrial Instruments.

\$25,000,000 ENNIA N.V.

(Incorporated with limited liability in and under the laws of The Netherlands) 7¼% Convertible Subordinated Debentures Due 1988/1992

Convertible into Bearer Depositary Receipts in respect of the Company's Ordinary Shares Offering Price 100%

List of international banks and financial institutions including Amsterdam-Rotterdam Bank N.V., Morgan Stanley International, Al Ahli Bank of Kuwait, Banca del Gottardo, Bank Leu International Ltd., etc.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

GERMAN COMPANIES

Krupp looks to special steels to end losses

BY JONATHAN CARR

ESSEN, June 15.

FRIED. KRUPP, the diversified West German industrial concern, hopes to get its loss-making steel sector out of the red this year through further rationalisation and greater emphasis on special steels production. Therefore, while Krupp is ready to talk on co-operation with other German steel companies, it does not feel impelled to initiate such discussions. Nor does it feel mergers will necessarily solve the problems of the German steel industry. This became clear during the annual Press conference of Krupp, where other interests in steel manufacturing, and trade its results show a net profit of DM0.6m. after a loss of DM60.6m. in 1975, with losses on steel counterbalanced by good results in several other areas. The meeting comes at a time of increasing concern over the future shape of the West German steel industry. It is being widely asked whether a new structure is needed to match not only competitors outside Europe but also European enterprises enjoying subsidies. Krupp's own strategy to meet the steel crisis has been twofold. It has taken steps to build up its special steels business at the expense of the loss-making mass steel production. One key move in this direction has been the acquisition of a majority stake in Stahlwerke Suedwestfalen, which is being included in the consolidated results from the start of this year. And it is aiming in the long term to concentrate its investment, especially on plant construction, and on the trade and services sector. Thus steel, with which the name of Krupp has so long been associated, will increasingly play a less important role in the concern. In fact this trend has been under way for some years. In 1970 steel accounted for 35 per cent of Krupp turnover. Last year it accounted for 23 per cent, or DM3.1bn. out of total group sales which increased by 4 per cent, from 1975 to DM39.7bn. Group orders, however, fell by nearly 3 per cent, to DM39.8bn. One of Krupp's fears is that it may come under pressure, perhaps for political reasons, to merge with an ailing West German steel competitor to try to save jobs. But Krupp insists that simply creating bigger units will solve nothing. Nor is such a strategy likely to appeal to Iran, which last year decided to take a stake of 25.01 per cent in Krupp GmbH (H. FRIED. KRUPP, the diversified West German industrial concern, hopes to get its loss-making steel sector out of the red this year through further rationalisation and greater emphasis on special steels production. Therefore, while Krupp is ready to talk on co-operation with other German steel companies, it does not feel impelled to initiate such discussions. Nor does it feel mergers will necessarily solve the problems of the German steel industry. This became clear during the annual Press conference of Krupp, where other interests in steel manufacturing, and trade its results show a net profit of DM0.6m. after a loss of DM60.6m. in 1975, with losses on steel counterbalanced by good results in several other areas. The meeting comes at a time of increasing concern over the future shape of the West German steel industry. It is being widely asked whether a new structure is needed to match not only competitors outside Europe but also European enterprises enjoying subsidies. Krupp's own strategy to meet the steel crisis has been twofold. It has taken steps to build up its special steels business at the expense of the loss-making mass steel production. One key move in this direction has been the acquisition of a majority stake in Stahlwerke Suedwestfalen, which is being included in the consolidated results from the start of this year. And it is aiming in the long term to concentrate its investment, especially on plant construction, and on the trade and services sector. Thus steel, with which the name of Krupp has so long been associated, will increasingly play a less important role in the concern. In fact this trend has been under way for some years. In 1970 steel accounted for 35 per cent of Krupp turnover. Last year it accounted for 23 per cent, or DM3.1bn. out of total group sales which increased by 4 per cent, from 1975 to DM39.7bn. Group orders, however, fell by nearly 3 per cent, to DM39.8bn. One of Krupp's fears is that it may come under pressure, perhaps for political reasons, to merge with an ailing West German steel competitor to try to save jobs. But Krupp insists that simply creating bigger units will solve nothing. Nor is such a strategy likely to appeal to Iran, which last year decided to take a stake of 25.01 per cent in Krupp GmbH (H.

already had a 25 per cent. holding in the steelmaking subsidiary and next year will have a second number on the supervisory Board. Last year Iran also took a 40 per cent stake in two Krupp Brazilian subsidiaries. Krupp now has Iranian orders on its books worth about DM500m., and several other major projects are said to be under discussion. The exact extent of Iran's financial commitment to Krupp has not been revealed but on the basis of the stakes already made and pledged it is believed to be well over DM1bn. While Krupp's sales to OPEC states are increasing fast, they still account for only 11 per cent of total foreign turnover - against 39 per cent to other developing states and 22 per cent to EC countries. Exports as a percentage of total sales dropped last year from 44 per cent to 38 per cent, chiefly because of fewer foreign sales by the Krupp shipbuilding subsidiary AG Weser. The sales increase for the first five months of this year is given as 28 per cent, or some DM200m. to DM4.1bn. However, no less than DM750m. of this sum is accounted for by the newly consolidated Stahlwerke Suedwestfalen. Orders were up by 13 per cent, to DM1.2bn, a faster increase is expected in the second half. Total fixed asset investment for 1977 is set at about DM250m. **Mannesmann sales fall 7%** EXTERNAL SALES of the Mannesmann AG world group fell 7 per cent in the first quarter to DM2,367bn. against DM2,548bn. in the same period last year, and earnings also weakened, the company said today. The company did not give profit figures, but said earnings were under sufficient pressure in the steel pipe sector due to lower volume deliveries and squeezed margins. Mannesmann net profit for all of 1975 was DM302.2m., down 49.6 per cent from DM592.2m. in 1974. **Reynolds Metals issue** REYNOLDS METALS Company filed with the Securities and Exchange Commission 2m. common shares for sale through underwriters headed by Dillon, Read and Co., Goldman Sachs and Co. and Reynolds Securities Inc., AP-DJ reports from Washington. **DDG-Hansa dividend cut** By Adrian Dicks. BONN, June 15 DEUTSCHE Dampfschiffahrts-Gesellschaft "Hansa" the Bremen-based shipping line, is reducing its dividend to DM6 per DM50 share from DM7, following a year of continuing stagnation in the world shipping market, and what the board describes as the "invasion" of its traditional routes by Soviet vessels. Earnings per share for DDG-Hansa were down from DM49 in 1975 to DM17 last year. During 1977, the combination of an unchanged situation in the charter market, surplus tonnage in many sectors, and continuing cost increases is likely to lead to a further decline in profitability. The report makes clear that DDG-Hansa has suffered from

Soviet competition especially in liner services to the Middle East, where business as a whole has shown less of a decline than the average. On the more hopeful side, the line has strengthened its presence in the specialised heavy goods shipping sector through its joint venture with Gulf Oil, Heavy Lift Shipping Company of Wilmington, Delaware. The new company has commissioned two heavy goods vessels from U.S. yards. Aside from these, DDG-Hansa has four RO-RO-container vessels under construction in West Germany and Japan, and expects delivery of these during 1977. Four further vessels are to be added to the offshore services group. The board writes that profits in offshore operations can be expected to suffer from the slow-down in oil companies' investments, but on the North Atlantic routes where its container ships are likely to be used, DDG-Hansa expects relatively good results. In 1976, tonnage handled dropped from 1.5m. tonnes to 978,000 tonnes, corresponding to a decline in financial terms from DM495m. to DM475m. Nonetheless, investment in new vessels was almost doubled to DM143m. from DM75m. in 1975. **Terms revised for Time deal** TIME HOLDINGS INC. and N. V. Amev said that the previously announced preliminary agreement for the acquisition by Amev of Time Holdings has been revised to provide for a cash merger of a newly organized wholly-owned U.S. unit of Amev into Time, AP-DJ reports from Milwaukee. It is anticipated that the merger will be completed in early August, next year. Shareholders will receive a per share price subject to adjustment of at least \$33 a share. As previously announced, the Bank of Commerce unit of Time will be spun off to the shareholders of Time prior to the merger, which is a subject among other things to the preparation and execution of a definitive agreement. It is also subject to the approval of the boards of Amev and Time and the shareholders of Time, the Wisconsin Insurance Commissioner. Insurance commissioners in other states where Time Insurance Company, the principal unit of Time Holdings, is qualified to do business

Bally to sell back ODB to Syndikats

ZURICH, June 15. C. F. BALLY AG net profit for the year ended April 30 rose to Frs.4.08m., from Frs.1.18m. the previous year. A dividend of Frs.30 has been recommended. This is the first dividend since the Frs.25 paid for the year to April 30, 1974. The Board said it decided to sell back to Syndikats AG the Overseas Development Bank purchased in February this year, at the purchase price plus interest. Syndikats AG owns a majority stake in C. F. Bally AG. The Frs.22m. share capital of Overseas Development Bank was in possession of the holding company, Bally Anlagen AG, acquired earlier this year. The purchase price was not given. The Board said Walter Heiner, who agreed to continue as chairman to ensure continuity of the company when it was taken over by Syndikats AG in January this year, has now resigned. The Board elected Walter Koenig as new chairman and Conrad Wirth as vice-chairman. Werner Rey, former vice-chairman and managing director, will continue as Board delegate, the statement said.

BANK OF ENGLAND QUARTERLY Eurocurrency trade expands

BY MARY CAMPBELL. IN THE first indication so far from official statistics of trends in the Euromarkets this year the Bank of England Quarterly Bulletin shows that the Euro-currency business of banks in the U.K. continued to grow very fast in the first quarter of this year. Growth was at the same rate as in the fourth quarter of last year. Although the actual increase in foreign currency deposits with London banks was only 84% in the first quarter, compared with 51% in the last quarter of 1976, after taking account of seasonal factors the Bank reckons that the underlying rate of growth was about 58-59% in each of the two quarters. The rate of expansion of the Euro-market business of London banks was less than half this figure in the three earlier quarters of last year. The London market accounts for 40-50 per cent of the Euro-currency market as a whole and trends in London can therefore be seen as indicative of trends generally. The detailed maturities analysis which the Bank publishes of the maturities of banks' lending and borrowing shows that there was a further big increase in the extent to which banks in London were using very short-term money to finance longer term lending (see table). The main factor behind this continuing trend—which is in some quarters regarded as destabilising since it means that banks would be less well equipped to face a true test—the rate of expansion of the Euro-market business of London banks was less than half this figure in the three earlier quarters of last year.

U.K. BANKS DEPOSITS AND LENDING BY COUNTRY OR AREA. Net deposits - / net borrowing - \$bn.

largely due to the further decline in Eurodollar interest rates. This would tend to cause depositors to hold back from longer maturities in the hope that they would get better rates later. The absolute figures for borrowing and lending for each maturity band suggest that London banks continued to receive more in repayments of long term Eurocurrency loans than they provided in new long term loans. The value of outstanding loans not due to be repaid for at least three years was by February lower than it had been in August last year, though not by much—\$27.9bn., down from \$28.2bn. However, loans due to be repaid between one and three years hence rose from \$16.0bn. to \$18.3bn. between August and February. The latest data on the direction from which London banks took their deposits and extended loans (see table) shows that there was very little change in the first quarter of this year. Perhaps most significant is the fact that banks in Japan had continued to cut back their borrowing from the London market. Japan's net borrowing from London banks, less deposits with them, had fallen very sharply in the last quarter of last year from a net \$13.5bn. to a net \$12.6bn. In the first quarter of this year, however, the figure fell by only a further \$300m. to \$12.3bn. Among individual heavy borrowers not specified individually in the table, neither Brazil nor Mexico increased their borrowing from the London market during the first quarter

AMERICAN NEWS Kaiser Aluminum price move

BY JOHN WYLES. AN ANNOUNCEMENT by Kaiser Aluminum and Chemical Corporation that prices of its products are to rise by an average of 4 per cent is expected to herald a fresh round of price increases by major U.S. manufacturers of aluminum products. Kaiser's latest price rise brings the total increase in the cost of its products so far this year to 10 per cent, it raised the cost of a primary aluminum ingot from 48 to 51 cents a pound in March, and from July 1 the price will be 53 cents a pound. The aluminum industry con-

cluded a new pay deal with the United Steel Workers of America less than a month ago, which the union estimated would add 30 per cent to labour costs over the next three years. Kaiser cited the pay deal as one of the reasons for its price rise, adding also that it was suffering the impact of "higher costs for energy and raw materials." The political sensitivity of aluminum pricing is highlighted by Kaiser's disclosure of talks with the Council on Wage and Price Stability, the Government body which monitors prices. The meetings, one last week and one on Monday, were both attended

NYSE competition

BY OUR OWN CORRESPONDENT NEW YORK, June 5. A NEW era of competition between New York Stock Exchange specialists looks likely to start on Monday following an application by the exchange's largest firm of specialists, Spear Leeds and Kellogg, for permission to compete in stocks traded by a small and little-known company, Blair Williams. Although a spokesman for the exchange dismissed it as a "coincidence," the Spear Leeds move follows quickly on the heels of an attempt by 19 of the exchange's leading brokerage and investment houses to head off a Securities and Exchange Commission proposal to develop trading off the floor of the New York Exchange. The SEC proposal is a response to widespread criticism, particularly from within Congress, of the alleged lack of competition on the New York Exchange where for the last ten years individual groups of stocks have been traded by single firms of specialists. Although no official explanation was available today, it appears that Blair Williams has a picked out Blair Williams for result of special circumstances competition because of the latter's mix of 19 stocks which includes Caterpillar. General Motors and Long Island Lighting. The contest is already being billed as a David and Goliath exercise because of the difference in size between the two adversaries. Spear Leeds directly trades in 119 stocks, but associated companies and a portfolio of inactive stocks extends its scope to 20 per cent of the shares listed by the New York Exchange. Providing that the application is approved by a committee of the exchange on Friday, Spear Leeds specialists will from Monday stand at the Blair Williams post competing for the flow of orders. One expectation is that the investor should get a better price for his shares and another that trading volume in the 19 stocks may increase. There is little doubt that the Spear Leeds application will be given the go-ahead, because it has been the exchange's firm policy to encourage competition between specialists since early last year. There is only one other case of competitive trading on the exchange, but that is a result of special circumstances and the Spear Leeds exercise will be watched much more closely.

VONTBEL EUROBOND INDICES 145.76=100%

CHILEAN GOVERNMENT 8% STERLING LOAN OF 1922. MORGAN GRENFELL & CO. LIMITED hereby give notice that a Drawing of Bonds of the above Loan took place on 2nd June 1977...

Canadian \$20,000,000 9 1/2 per cent. Guaranteed Notes due 1982. RANK OVERSEAS HOLDINGS LIMITED. Unconditionally and irrevocably guaranteed as to payment of principal and interest by THE RANK ORGANISATION LIMITED.

The Kingdom of Sweden. U.S. \$100,000,000 7 1/2% Notes 1982. U.S. \$100,000,000 8 1/4% Bonds 1987. Credit Suisse White Weld Limited. Skandinaviska Enskilda Banken PKbanken Svenska Handelsbanken Deutsche Bank Aktiengesellschaft Dresdner Bank Aktiengesellschaft Kredietbank S.A. Luxembourggoise S. G. Warburg & Co. Ltd.

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Jeffrey S

INTERNATIONAL FINANCIAL AND COMPANY NEWS

SOUTH AFRICAN COMPANIES

Offer to buy Messina banking stake

BY RICHARD ROLF

MESSINA, WHICH sold its TV interests in January to Federal Volksbelegungs, the industrial holdings arm of the Sanlam insurance group, has followed the deal up with a further disposal in which Sanlam again appears to be involved behind the scenes. The shares of Messina's associate, Concorde Bank, have been suspended following an offer to buy Messina's 42 per cent stake. With the pre-suspension price at 45r, Messina's 2.4m. more than 21.1m., but profits at Concorde, which is mainly involved in leasing business, have held up fairly well, showing R0.35m. for the half year to end-December, and the eventual take-out price could be well above that on suspension.

The identity of the offeror has yet to be made known officially, but speculation is that it is the small Afrikaner merchant bank Fininvest, which first achieved fame by putting the S.A. Breweries-OK Bazarier deal together. Where Sanlam figures in that, a couple of years ago, it deposited R30m. with Concorde in return for an option to buy the portion of Messina's shareholding which has to be released in terms of the Banks Act to bring it down from 42 per cent to 30 per cent by the early 1980s.

Since the original Sanlam deal, Concorde has acquired, in a reverse take-over, the Staatwerkers Spaarbank (Steelworkers Savings Bank) and ranks as about the 20th biggest bank in South Africa as a result with shareholders' equity of R8m. and gross assets of R53m. In the last balance sheet, possibly the master plan is for Fininvest to acquire some additional banking muscle, and for Sanlam to back a group of promising Afrikaner banking entrepreneurs, just as the previous generation of the latter pick themselves up off the floor.

SURPRISINGLY good results from a conglomerate covering some rather depressed sectors of the economy have come from

JOHANNESBURG, June 15.

MALCOLM-BAYNE whose main divisions are involved in plastics and packaging, motor distribution and farm machinery distribution. Turnover was R22m. for the year to March 31, and pre-tax income rose from R5.2m. to R5.5m. Net earnings were up from 28 cents to 30 cents and the dividend has been raised 1 cent to 11 cents. At 99 cents, this put the shares, which are widely held, on a yield of 11.8 per cent.

Profits slipped in the key firm machinery division, which includes the Scania heavy trucks franchise, from R1.4m. to R1.2m. but this was not surprising after the recent poor figures from Massey-Ferguson which testified to the existing depression having spread even to the normally prosperous farming community. But the motor side improved slightly on last year and most of the running was made by the plastics and financial services divisions. Net asset value rose from 140 cents to 169 cents, putting the shares on a discount of 44 per cent.

Europeans buying into Toyota

TOKYO, June 15. TOYOTA MOTOR COMPANY is expanding overseas ownership of its shares while raising some of its new funds, brokerage house sources said.

Toyota announced earlier this month that it will issue publicly 37.5m. new shares at the current market price of ¥390 per share.

Sources said that the underwriters for the issue, Nomura Securities and Nikko Securities Company, have negotiated the purchase of about 7m. of those shares by European institutional investors.

Foreign ownership as of December 1976 accounted for only 0.9 per cent of total shares outstanding.

Brokers house sources said the auto maker is trying to diversify its stock ownership to enable it to tap diverse capital markets in the future as more investment becomes necessary in various local markets for production and other facilities.

Toyota to the past has been reluctant to expand its foreign ownership, the sources said.

Sentosa buys Faber shares

SENTOSA PLYWOOD BHD said it agreed with Faber Consolates Europe to acquire for cash 8.5m. shares of Faber Merilin (Malaysia) BHD at one ringgit per share.

Sentosa said it made a 10 per cent down payment and the balance would be paid within three months from the date of agreement. Reuter reports from Kuala Lumpur.

Faber Merilin (Malaysia) has been suspended on the Kuala Lumpur stock exchange since February last year and on the Singapore stock exchange since June last year.

The one ringgit shares were last traded in Singapore at 62 Singapore cents per share.

Total share capital of Faber Merilin (Malaysia) is 63.3m. shares.

Alliance profits rise

By L. Daniel

TEL AVIV, June 15. ALLIANCE, THE Israeli tyre producer and exporter, has reported a 50 per cent increase in net profit for the first three months of 1977, to just under \$600,000 sterling.

Sales increased at a similar rate, compared with the first quarter of last year, to \$11.6m. Financing expenses rose by 40 per cent, during the period under review to \$450,000.

DUTCH PROPERTY ABROAD

At least Fls.3bn. committed

BY MICHAEL VAN OS

DUTCH PROJECT development companies and institutional investors have at least Fls.3bn. to Fls.4bn. (about £700m.-£950m.) worth of property abroad in preparation, under construction or in operation at present, says an authoritative property magazine published here.

The magazine, Vastgoedmarkt (VGM), which adds that the investment figure excludes investments by private individuals, says that, about 70 per cent is destined for long-term investment while the rest will be sold to private and other investors.

VGM notes that the amount is about double the sum which had been invested in Holland in the early 1960s by British property companies (about Fls.1.5bn.), of which about Fls.1.1bn. has returned to Dutch ownership.

The figures exclude the real estate portfolio of DeltaLloyd, Commercial Union's Dutch insurance subsidiary.

The magazine says that the development of Dutch activities across the borders has seen an acceleration in the last few years, while the figure amounts to Fls.500m. as far as West

Germany is concerned. The fourth main investment area is North America, particularly the U.S., where real estate interests can be valued at about Fls.1bn., the report says.

VGM comments that internationally, Holland is currently among the most active real estate developing countries in the world. A major difference with the policy of the British companies in the 1960's was that the financing side had been better assured, while there is on the Dutch side also more interest in long-term activity in the foreign markets.

AMSTERDAM, June 15.

Algots bankruptcy proceedings

BY WILLIAM DUFFORCE

ALGOTS, the Swedish clothing company, started bankruptcy proceedings yesterday after Mr. Nils Aaslning, the Minister of Industry, guaranteed to give a state guarantee for a Kr.30m. loan sold payments last week.

The concern's two Swedish companies, Algots Johansson AB and Algots Nord, have declared bankruptcies. The Finnish cash requirement during the 2-3 month reconstruction period has proved to be higher than previously indicated by the management and the company was now expected to have an operating loss of Kr.40m. or more this year.

Sweden's "company doctor", Professor Ulf af Trolle, would be employed as consultant in reorganising the clothing concern, which holds heavy stocks of unsold finished goods and had to stop payments last week.

Explaining his decision not to give a loan guaranteed, the Minister said, the company's cash requirement during the 2-3 month reconstruction period has proved to be higher than previously indicated by the management and the company was now expected to have an operating loss of Kr.40m. or more this year.

STOCKHOLM, June 15. The effect on competing Swedish clothing manufacturers, themselves hard hit by foreign competition and high domestic cost levels, would be less, if a bankruptcy was effected, Mr. Aaslning said.

Algots Nord received a Kr.70m. regional development grant from the state in 1972. In order to create 1,000 new jobs in Västerbotten County, where unemployment was threatening. There are no alternative jobs in the area.

Algots' managing director, Mr. Olof Söderholm, has said that the company's future implies state participation. Mr. Aaslning declined to give any assurances on this point yesterday but expressed willingness to consider any realistic proposal.

Poor year, reports Kemira

By Lance Keyworth

HELSINKI, July 15. KEMIRA OY, the State-owned chemical industrial company, had an unsatisfactory year in fiscal 1976. For the first time in its history, no dividend was distributed and the loss recorded was Fin.8.5m. (just over £1m. at the December 1976 exchange rate). This was after depreciations which were limited to half the legally permissible sum. In spite of the high general inflationary rate, even turnover decreased by 12.7 per cent, to Fin.1.38bn.

In their joint introductory statement to the annual report, the executive chairman and the managing director note: "Taking into account the rise in the level of costs and the fall in the value of money, the result is still poorer than the figures indicate. The biggest single reason for the poor result was the almost 17 per cent fall in the sales of fertilisers." Prices rose sharply as the Government stopped agricultural subsidies and then imposed a tax on fertilisers to discourage agricultural overproduction. Production of concentrated compound fertilisers decreased by 33.2 per cent, to 732,405 tonnes.

The Vuorikemla division of the company was the only one that did well, and that was because the international market for titanium dioxide improved in 1976. The division's invoicing totalled Fin.211m., of which 55 per cent was for exports. The Sateri division, man-made fibres, was one of the worst hit by the depression and worked at only 50-80 per cent of capacity. The pantyhos factory in Tornio, North Finland, which had been running at a loss for some time, was gradually run down and finally closed in May, 1977.

FRENCH COMPANIES

Rhône Poulenc active abroad

PARIS, June 15.

RHÔNE POULENC group activity so far this year has been steady at around the level of the last months of 1976, the company said in its annual report.

Business outside France has been more satisfactory than the domestic market which is still affected by French price controls.

The company said it hopes to be able to sell goods in France this year at the price level of the international market and this, combined with cost cutting, should allow it to return to normal levels of profitability.

The group reported a consolidated net loss of Frs.364m. in 1976 after a loss of Frs.941m. in 1975.

Optimism at Lafarge

LAFARGE S.A. said it expects all group sectors to be profitable in 1977, but did not make an overall forecast, reports Reuter.

Last year the group made a net attributable consolidated profit of Frs.184.1m. (Frs.130.5m.) on a net turnover of Frs.6,011bn. (Frs.5,948bn.).

In its annual report, Lafarge said it hopes most sectors will earn higher profits this year, but the results of subsidiary Carbonation Enterprises at Ceramiques might be below last year.

Lafarge said it plans to spend over Frs.4bn. on investments

UCB forecast

OVERALL 1977 results for the UCB group will be similar to those of 1976, although films and pharmaceutical products are showing some improvement, according to Mr. Paul Foriers, the chairman, Reuters reports from Brussels.

Mr. Foriers told the annual meeting that the company's performance in April was unsatisfactory after good results in March.

The meeting approved the proposed 1976 net dividend of Frs.140 a share, against the previous Frs.125, on group net profits of Frs.199m. (net loss Frs.277m.) and turnover of Frs.16,890m. (Frs.15,311m.).

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SELECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS

| STRAIGHTS | bid | offer | bid | offer | STRAIGHTS | bid | offer |
|------------------------------|---------|---------|---------|---------|---------------------------------------|---------|---------|
| Alico Australia 9 1/2% 1988 | 100 | 101 | 101 1/2 | 102 | Standard and Chart. 1984 8 1/2% | 88 1/2 | 89 |
| Australia 9 1/2% 1991 | 103 1/2 | 104 1/2 | 104 1/2 | 105 1/2 | Watts and Gibb 1984 8 1/2% | 92 1/2 | 93 |
| Bank of Montreal 9 1/2% 1988 | 105 1/2 | 106 1/2 | 106 1/2 | 107 1/2 | Watts and Gibb 1984 8 1/2% | 95 1/2 | 96 |
| Bank of Montreal 9 1/2% 1991 | 108 1/2 | 109 1/2 | 109 1/2 | 110 1/2 | Source: W.D. & H.O. Wills Securities. | | |
| Canada 9 1/2% 1988 | 102 1/2 | 103 1/2 | 103 1/2 | 104 1/2 | CONVERTIBLES | | |
| Canada 9 1/2% 1991 | 105 1/2 | 106 1/2 | 106 1/2 | 107 1/2 | American Express 4 1/2% '88 | 98 | 99 |
| Central Finance 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Aldian 9 1/2% 1988 | 97 | 98 |
| Central Finance 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Banque Paribas 4 1/2% 1988 | 97 | 98 |
| Dutch 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Banque Paribas 4 1/2% 1991 | 100 1/2 | 101 1/2 |
| Dutch 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Banque Paribas 8 1/2% 1988 | 105 1/2 | 106 1/2 |
| Euro 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 4 1/2% 1988 | 98 | 99 |
| Euro 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 4 1/2% 1991 | 101 1/2 | 102 1/2 |
| France 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 8 1/2% 1988 | 103 1/2 | 104 1/2 |
| France 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 8 1/2% 1991 | 106 1/2 | 107 1/2 |
| Germany 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 12 1/2% 1988 | 113 1/2 | 114 1/2 |
| Germany 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 12 1/2% 1991 | 116 1/2 | 117 1/2 |
| Italy 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 15 1/2% 1988 | 120 1/2 | 121 1/2 |
| Italy 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 15 1/2% 1991 | 123 1/2 | 124 1/2 |
| Japan 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 18 1/2% 1988 | 127 1/2 | 128 1/2 |
| Japan 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 18 1/2% 1991 | 130 1/2 | 131 1/2 |
| Netherlands 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 21 1/2% 1988 | 134 1/2 | 135 1/2 |
| Netherlands 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 21 1/2% 1991 | 137 1/2 | 138 1/2 |
| Norway 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 24 1/2% 1988 | 141 1/2 | 142 1/2 |
| Norway 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 24 1/2% 1991 | 144 1/2 | 145 1/2 |
| Spain 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 27 1/2% 1988 | 148 1/2 | 149 1/2 |
| Spain 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 27 1/2% 1991 | 151 1/2 | 152 1/2 |
| Switzerland 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 30 1/2% 1988 | 155 1/2 | 156 1/2 |
| Switzerland 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 30 1/2% 1991 | 158 1/2 | 159 1/2 |
| UK 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 33 1/2% 1988 | 162 1/2 | 163 1/2 |
| UK 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 33 1/2% 1991 | 165 1/2 | 166 1/2 |
| US 9 1/2% 1988 | 101 1/2 | 102 1/2 | 102 1/2 | 103 1/2 | Bank of Montreal 36 1/2% 1988 | 169 1/2 | 170 1/2 |
| US 9 1/2% 1991 | 104 1/2 | 105 1/2 | 105 1/2 | 106 1/2 | Bank of Montreal 36 1/2% 1991 | 172 1/2 | 173 1/2 |

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| Assets | | Liabilities and Equity Capital | |
|---------------------------------------|-------|---|--------------|
| Current assets: | | Current liabilities | |
| Cash in hand and bank balance | 960 | Uncompleted contracts | 1,374 |
| Receivables | 1,841 | Billings from commencement of contracts | 5,776 |
| Properties classed as current assets | 1,639 | Expenditures from commencement of contracts | 4,904 |
| | 4,440 | | 872 |
| Fixed assets: | | Long-term liabilities | |
| Other receivables | 359 | Special appropriations | 1,978 |
| Shares and participation certificates | 199 | | 923 |
| Machinery and equipment | 270 | | |
| Properties classed as fixed assets | 187 | | |
| | 1,015 | Share capital + reserves | 226 |
| | 5,455 | Net profit for the year | 82 |
| | | Total | 5,455 |

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AGENT IF 1972

WALL STREET OVERSEAS MARKETS
Prices dip in early dealings

BY OUR WALL STREET CORRESPONDENT

STOCKS TRADED (lower to higher) in moderately active mid-session trading on Wall Street. The decline was a reaction to the market's overbought condition after the large gains marked up...

Closing prices and market reports were not available for this edition. yesterday during the heaviest turnover in almost four weeks. The Dow Jones Industrial Average moved down from the start and by midday was adding a loss of 4.07 at 918.50. By 2 p.m., however, it had recovered a little to show a fall of only 1.93.

OTHER MARKETS

Canada up slightly. Stocks extended Tuesday's rally in early trading on Canadian markets yesterday. At mid-session most of the sector indices were pointing higher but the advance showed signs of waning in the face of the recovery in New York. Utilities had risen 0.80 to 139.84. Industrials 0.29 to 172.42. Papers 0.15 to 97.88 and Metals and Minerals 0.10 to 100.67, but Golds had lost 0.45 to 94.25 and Oil and Gas—which advanced 0.15 and 0.10 respectively—had slipped back 1.9 to 1,130.3.

Among Chips and Car Operations (C) Glaxo, Du Pont, and Carlsberg. Du Pont fell \$1 to \$371. Carlsberg fell \$0.12 to \$312.50. J. & J. Manville fell \$0.25 to \$341.

PARIS—Slightly higher, helped by the steadiness of the franc and the reduction of call money to 8 1/2 per cent. The May unemployment figures, showing a new post-war record of 4.5 per cent, made no apparent impact. Lafarge, which earlier reported that all sectors of the group were expected to be profitable in 1977, rose Frs.1.5 to Frs.173—just under 1 per cent. Rhone Poulenc rose by nearly 3 per cent to Frs.439.50. Its annual report said group activity so far this year had been steady at about the level of the last months of 1976.

Cle de Navigation Mixte rose Frs.15 to Frs.220 as there was an excess of buying orders on Tuesday which could not be satisfied. BRUSSELS—Irregular in quiet trading. Copela, Astraenne, FN, Sidro, Electrobel, Wagons-Lits and GB Immo moved higher. Solvay up Frs.45 to Frs.2,720—was sharply higher for the second day in succession. Societe Generale, Cie Lambert, Intercom, Union Miniere, Cockfield, Hoboken, UCB and Clabecq fell. AMSTERDAM—Firmly, but trading remained quiet. Also rose Frs.1.19 in higher Interim dealings. MILAN—Prices rallied an average 1.6 per cent, halting a severe downward trend which had pushed the index down a 2-year record low the previous day.

FRANKFURT—Slightly higher, helped by the steadiness of the franc and the reduction of call money to 8 1/2 per cent. The May unemployment figures, showing a new post-war record of 4.5 per cent, made no apparent impact.

+ FOREIGN EXCHANGES
£ and gold firm

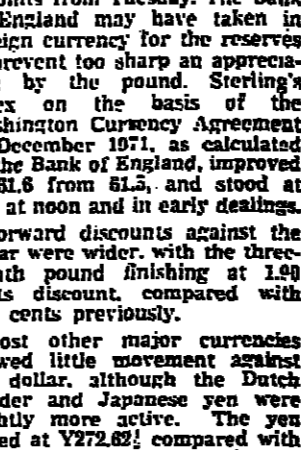
NEW YORK, June 15.

There was a good demand for sterling in the foreign exchange market yesterday, and the currency closed at its highest level of the day against the U.S. dollar at \$1.788-1/2. The Bank of England may have taken in foreign currency for the purposes to prevent too sharp an appreciation by the pound. Sterling's index on the basis of the Washington Currency Agreement of December 1971, as calculated by the Bank of England, improved to 61.8 from 61.6 and stood at 61.8 at noon and in early dealings.

Forward discounts against the dollar were wider, with the three-month pound finishing at 1.90 cents discount, compared with 1.80 cents previously. Most other major currencies showed little movement against the dollar, although the Dutch guilder and Japanese yen slightly more active. The yen closed at Y272.63, compared with Y273.27 on Tuesday. This was the best level of the day in terms of the dollar, after the yen unit had touched a worst level of Y273.50.

The Canadian dollar improved to 94.73 U.S. cents from 94.56 the day before. The C.S. dollar's trade-weighted average since the Washington agreement as calculated by Morgan Guaranty of New York, widened slightly to 1.17 per cent from 1.14 per cent. Speculative demand for gold pushed up the metal's value in early active trading. It closed at \$183-1/8, a rise of 1/8 on the day.

STERLING



FOREIGN EXCHANGES

Table with columns for Market Rates, New York, London, and other international locations, showing exchange rates for various currencies.

SPECIAL DRAWING RIGHTS RATES

Table showing Special Drawing Rights rates for various countries including the U.S., U.K., France, Germany, etc.

EXCHANGE CROSS RATES

Table showing cross rates between major currencies like the Dollar, Pound, Franc, etc.

EURO-CURRENCY INTEREST RATES

Table showing interest rates for various Euro-currency deposits and loans in different currencies.

FORWARD RATES

Table showing forward rates for various currencies, including one-month, three-month, and six-month terms.

INDICES

NEW YORK - DOW JONES

Table showing Dow Jones Industrial Average and other major indices for the day, including S&P 500 and NYSE Composite.

STANDARD AND POORS

Table showing Standard & Poor's 500 index and other market indicators.

OVERSEAS SHARE INFORMATION

Large table listing various international stocks with columns for Stock Name, Price, and Dividend Yield.

Y.S.E. ALL COMMON

Table showing Y.S.E. All Common index and other market data.

MONTREAL

Table showing Montreal market data and stock prices.

JOHANNESBURG

Table showing Johannesburg market data and stock prices.

INVESTMENT PREMIUMS

Table showing investment premiums for various international assets.

CANADA

Large table listing various Canadian stocks with columns for Stock Name, Price, and Dividend Yield.

GERMANY

Table showing German market data and stock prices.

TOKYO

Table showing Tokyo market data and stock prices.

AMSTERDAM

Table showing Amsterdam market data and stock prices.

COPENHAGEN

Table showing Copenhagen market data and stock prices.

MILAN

Table showing Milan market data and stock prices.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg market data and stock prices.

PARIS

Table showing Paris market data and stock prices.

SWITZERLAND

Table showing Swiss market data and stock prices.

STOCKHOLM

Table showing Stockholm market data and stock prices.

MILAN

Table showing Milan market data and stock prices.

VIENNA

Table showing Vienna market data and stock prices.

OSLO

Table showing Oslo market data and stock prices.

BRASIL

Table showing Brazilian market data and stock prices.

JOHANNESBURG

Table showing Johannesburg market data and stock prices.

INDUSTRIALS

Table showing industrial sector stock prices.

SPANISH

Table showing Spanish market data and stock prices.

UKAIN

Table showing Ukrainian market data and stock prices.

STOCKHOLM

Table showing Stockholm market data and stock prices.



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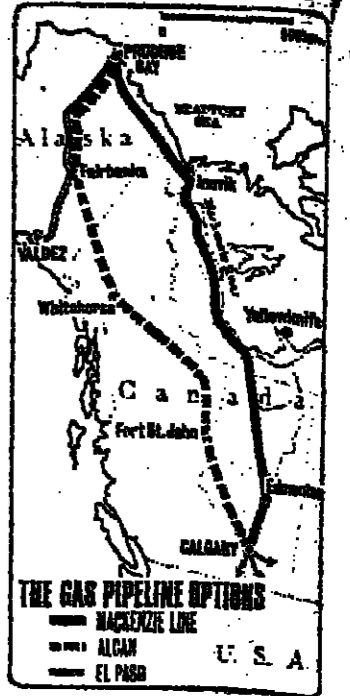
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Apollo Magazine, Brickett House, 10, Cannon Street, London EC4P 4BY. Tel: 01-248 8000

U.K. ECONOMIC INDICATORS

| | 1977 | | 1976 | |
|--|----------|----------|----------|----------|
| | May | Apr. | May | Apr. |
| General | | | | |
| Unemployment ('000s) | 1,340p | 1,352p | 1,283.6 | 1,271.8 |
| Unfilled vacancies ('000s) | 182.5p | 185.6p | 144.3 | 124.4 |
| Currency reserves (\$bn.) | 9.2 | 10.13 | 9.52 | 5.42 |
| Basic materials (£m.) | 348.1p | 348.1p | 347.4 | 292.9 |
| Bank advances (£m.) | 16,279 | 15,215 | 15,307 | 14,309 |
| Manfr. products (1976=100) | 259.8p | 255.1p | 250.8 | 214.8 |
| | | | | |
| Terms of trade (1970=100) | 79.7p | 80.4p | 80.5 | 81.3 |
| Retail prices (1974=100) | 159.5 | 173.5 | 174.1 | 153.5 |
| Wage rates (July 1973=100) | 228.5 | 223.8 | 223.5 | 208.8 |
| GP Debt. (U.M.E.) | 2,782 | 2,737 | 2,691 | 2,320 |
| | | | | |
| Industrial output (1970=100) | 104.3 | 104.3 | 102.9 | 102.6 |
| Retail sales value (1971=100) | 215.8p | 213.1 | 217.5 | 186.3 |
| | | | | |
| | 1977 | | 1976 | |
| | Jan. | Jan. | Jan. | Jan. |
| Trade and Industry | May | May | May | May |
| Steel weekly average ('000 tonnes)* | 389.2 | 380.4 | 410.9 | 468.6 |
| | | | | |
| Imports (fob) (£bn.) | 2,736 | 2,720 | 2,772 | 2,830 |
| Exports (fob) (£bn.) | 2,827 | 2,489 | 2,565 | 1,822 |
| Visible trade balance (£bn.) | -1,109 | -1,222 | -1,263 | -1,183 |
| Cars ('000s)† | 126 | 93 | 106 | 111 |
| Commercial vehicles ('000s)† | 31.0 | 34.9 | 34.4 | 30.4 |
| Bricks (million)‡ | 490p | 490 | 423 | 467 |
| Cement weekly average ('000 tonnes)* | 296 | 301 | 268 | 303 |
| Furniture (1970=100)*** | 135p | 158 | 157 | 151 |
| | | | | |
| Houses completed ('000s)† | 25.0 | 22.1 | 22.5 | 22.7 |
| Man-made fibres (m. kgs.)†† | 55.5 | 50.2 | 51.5 | 54.1 |
| TV sets ('000s)‡‡ | 225 | 205 | 214 | 205 |
| Radio, radiograms ('000s)‡‡‡ | 267 | 266 | 499 | 248 |
| Raw cotton, weekly average ('000s tonnes)§ | 2.07 | 2.46 | 2.3 | 2.27 |
| Petroleum (m. tonnes)¶ | 7,654p | 7,072 | 7,500 | 7,979 |
| Hosiery (1970=100)**** | 85p | 104p | 105 | 90 |
| | | | | |
| Machine tools (£m.)? | 31.2p | 36.5p | 34.1 | 30.4 |
| Electric cookers ('000s)††† | 92.3 | 87.2 | 88.8 | 68.0 |
| Washing machines ('000s)†††† | 102.5 | 68.6 | 85.5 | 96.2 |
| Engineering orders on hand (1970=100)††††† | 92 | 92 | 92.5 | 95 |
| Raw wool (m. kilos)§§ | 16.2 | 18.3 | 10.2 | 9.6 |
| | | | | |
| | 1977 | | 1976 | |
| | 1st qtr. | 4th qtr. | 1st qtr. | Year |
| Consumer spending (£bn. 1970 values) | 8,740g | 8,955 | 8,876 | 35,371 |
| Motor trade turnover (1972=100) | 302 | 173 | 166 | 174 |
| | | | | |
| | 1976 | | 1975 | |
| | 4th qtr. | 3rd qtr. | Year | 4th qtr. |
| Building and civil engineering (£bn.)c | 3,262g | 3,246 | 3,173 | 2,998 |

* Production, † Deliveries, ‡ Net sales, § Consumption, ¶ Seasonally adjusted. ** All manufacturing industries. †† Excluding car radios. ††† Deliveries, U.K. made and imported sets. †††† Including cooker grill toasters. ††††† Value of output. ††††† United Kingdom not seasonally adjusted. ††††† Preliminary estimate. ††††† Provisional figures. ††††† Deliveries of petroleum products for inland consumption. ††††† Not available. ††††† From Feb. 1977 figures with exclude radiograms.

Indians, Eskimos and a \$12bn. gas pipeline



This announcement appears as a matter of record only

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Financial Adviser to the Company
SKANDINAVISKA ENSKILDA BANKEN

CANADA must tell President Carter this year whether it will permit the construction of a giant pipeline to carry gas from the Alaskan North Slope across Canadian territory to markets in the U.S. A battle royal has begun between the sponsors of a route along the Mackenzie River, who include Exxon, Gulf, and Shell as partners in Canadian Arctic Gas, the supporters of a more westerly route known as Alcan, who include Alberta Gas Trunk Line, and a motley group of those who oppose both lines, either because, like the Alaskan Government, they prefer the El Paso proposal for piping gas across Alaska and then moving it south by sea, or because they object to the environmental risks of any pipeline in the north.

First blood went to the opponents of Arctic Gas when, last month, an enquiry conducted by Mr. Justice Thomas Berger recommended that, in the interests of preserving the balance of nature, no pipeline

should ever be built from the North Slope to the Mackenzie Delta. That would mean that Alaskan gas would have to follow the Alcan or El Paso routes. Moreover, the Berger Commission recommended that no pipeline should be built along the Mackenzie Valley for ten years, until the social and ecological implications had been sorted out.

If Berger is accepted, then Canadian gas found in the Mackenzie Delta will have to stay there for at least ten years, or be moved by a spur line to the Alcan route. But the battle is not yet over: in July the Canadian Government expects a report from the National Energy Board, which is to look at the proposals in the overall national interest—not merely from the point of view of the North.

Even in the North, opinions are by no means agreed, as our Montreal Correspondent reports from a visit to the Mackenzie Delta.

BY ROBERT GIBBENS

FLYING BY DC-3 at about 5,000-feet over the 850 miles from Yellowknife on Great Slave Lake via the Mackenzie Delta provides a new perspective on the debate over the Berger Commission Report.

The flight takes a good five hours. But in clear weather, the amateur can make some assessment of the effects of a Mackenzie Valley pipeline through the huge expanse of the Mackenzie District. Between Yellowknife, administrative centre for the whole Northwest Territories, and Inuvik on the Delta, there are only six or seven communities numbering only a few hundred people each.

The pipeline from the air would look something like a road running through the Valley. From the ground it would be largely invisible. Pumping stations could be kept well away from the communities.

Canadian Government experts in Yellowknife say it can be built with minimum damage to the environment, and social impact can be minimised if the construction base camps are controlled carefully and southern workers kept strictly away from Indian communities.

The job can be done, with care and meticulous preparation, and if the crash programmes used on the Alyeska oil route in Alaska are avoided. There is still time to bring the native peoples into the construction programme if they wish. About 2½ years from the decision to go ahead is required before construction can start.

The cost advantage probably still rests with the Canadian Arctic project, with a coastal connection from Prudhoe Bay to the Mackenzie Delta—though the total cost has now gone above \$12bn., according to new estimates filed with the National Energy Board in Ottawa.

Canadian gas from the Delta would be piggybacked on the American gas moving south. However, the Alcan route to bring American gas south is strongly favoured by some experts in the Delta itself, with a spur to be built later from the Southern Yukon up to the Delta to bring south the Canadian gas bore. Arctic Gas reckons this would cost the Canadian gas consumer several hundred million dollars a year in extra transmission costs. There are fewer social-impact prob-

lems with this route, as Mr. Justice Thomas Berger pointed out in his report on the Mackenzie Valley line. However, the national interest in terms of the gas in the north, plus international politics still make the Mackenzie system a strong contender. Planning is much further ahead than for Alcan.

The Mackenzie district covers only a small part of the 13m. square-mile Northwest Territories, running up almost to the Pole and east to Baffin Island. The NWT within a decade may become Canada's largest province in terms of population—the total population now is about 60,000 whites, Indians and Eskimos.

In Yellowknife, seat of the territorial government, administration of this vast area is backed up by 2,500 civil servants working directly for the territorial government or federal departments. In the past ten years, the face of this old gold mining town has been transformed with high-rise buildings. A new theatre-concert hall is just being finished.

Yellowknife is also seat of the Territorial Council, the elected body from communities all over the NWT, and consisting of 15 representatives, including nine natives. It is heavy with representatives from the Mackenzie District since 40,000 people live there (including Yellowknife).

Yellowknife is also headquarters of the Indian Brotherhood led by the able Indian activist George Erasmus. Using well-learned methods of the South, he has held the headlines all over Canada with the Brotherhood's "No settlement, no pipeline" threat. Erasmus argues the Berger Report is right and no start should be made on

a Mackenzie Valley pipeline for at least ten years so the native peoples can settle their land claims with Ottawa, adjust to the wage economy, and develop their own renewable resources.

The Dene Indians are claiming a huge territory of their own in the Mackenzie district, on which they would have full property rights, self-government and freedom from any pipeline right-of-way. This territory would be the home of the Dene "nation."

Erasmus has been trying to outflank the more moderate claims of the Métis association, while trying to form a common front with the Inuit (Eskimo) organisation, the Inuit Tapirist. However, it is questionable whether the Brotherhood, in taking extreme positions, really represents the true majority feelings of any of the native peoples. The concept of the Dene "nation" is largely a negotiating position. Erasmus is not entirely against Mackenzie oil and gas development.

The Federal Government, through the Department of Northern Affairs and the Territorial Government, says all native groups should make their land claims clear, but if possible a common claim should be agreed upon. Then negotiations could go ahead swiftly. The Territorial Council's position is clear and most detailed, and says Ottawa cannot allow special status to any of the native groups. It urges swift progress towards provincial status for the whole NWT and ultimately power over all resources.

Land claims

Some senior civil servants in Yellowknife are confident that a common claim can be developed by the native groups this summer and agreed upon in principle with Ottawa by the end of the year. This sounds highly optimistic, considering the strident politicking in Yellowknife and Inuvik among all groups on the issue of pipeline development and the Dene "nation" concept. The native groups ultimately want royalties not from the transmission system or crossing their hunting grounds. But they are vague in defining what they mean. The hunting season extends 60 miles north — a common ground and negotiate this is short of the Yukon settlement with Ottawa in a year or two—but not by the autumn. He regards a Mackenzie Valley pipeline as inevitable, but wants strict safeguards and Highway, which, within 10 years, will link the Alaska Highway and the south with the Mackenzie Delta via Whitehorse. This in turn will open up the Northern Yukon to mining exploration, accelerating the pace of change in Old Crow.

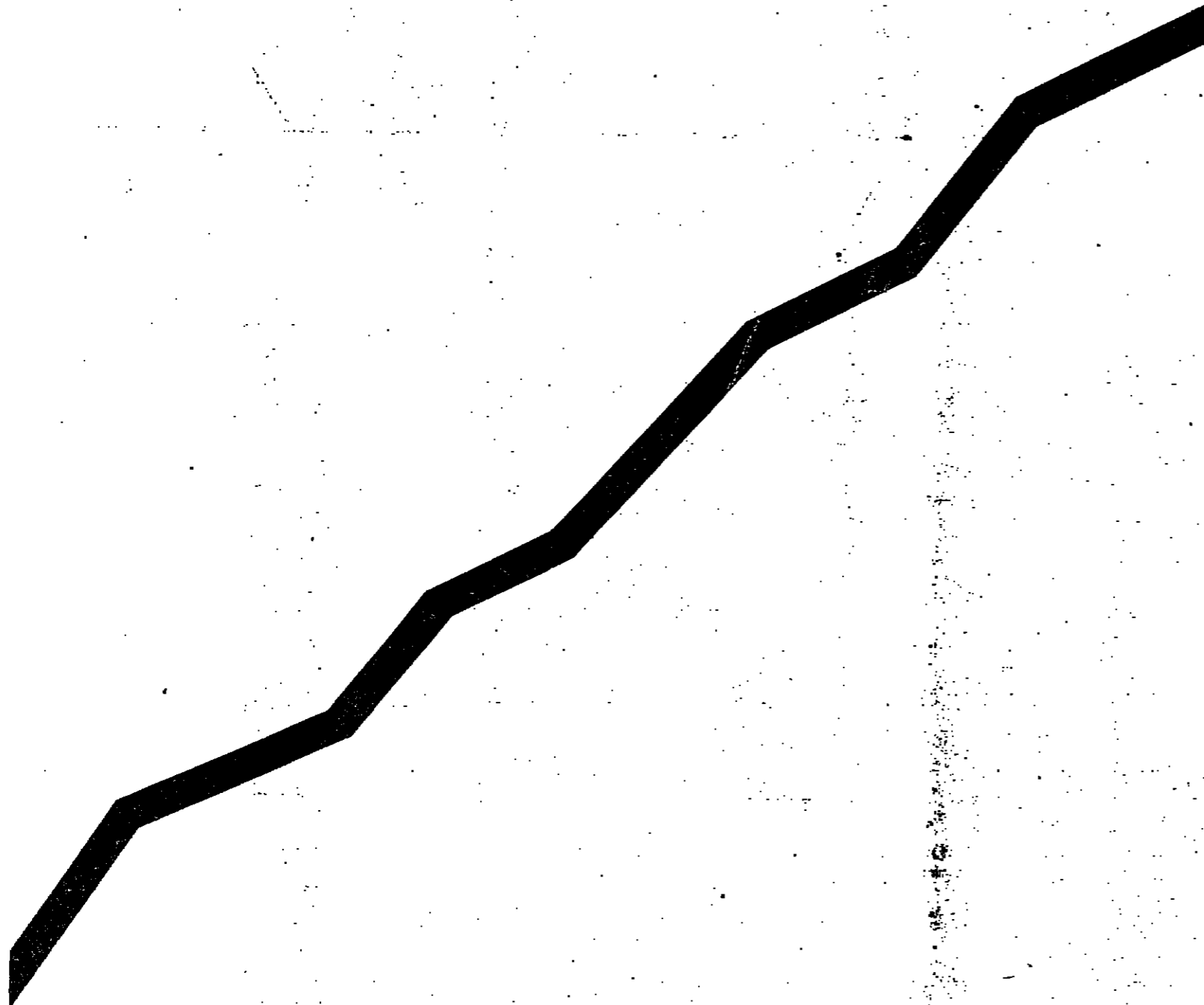
structures against any pipeline connection between the North Slope and the Delta. Generally most native and white people back "development." This means Mackenzie Valley line with safeguards and a reasonable delay, or it is that the Alcan Highway route with a spur north to the Delta.

Despite some boisterous stop development campaigns, the native people agree there cannot be a return to the old way of living, and they must participate in the future technological economy. The alternative is a serious economic slow-down in the Valley, especially in Inuvik and Aklavik, and a ten per cent shutdown in oil-industry exploration effort.

This in turn would mean return to welfareism and a lot of the self-reliance built up over the last 30 years since Ottawa adopted a new "system" of North aid, decided to try to pay its debts to the Indian particularly.

Canadian Government officials in Yellowknife told me that Northern Alaska-Delta construction can be justified, just as the whole Mackenzie Valley system can be acceptable, even if Ottawa decides the Arctic project meets the nation's interest.

The Old Crow Indians, who live 180 miles west of the Delta on the other side of the Richardson Mountains, told me they still have a pipeline near the village on the Porcupine River or crossing their hunting grounds. But they are vague in defining what they mean. The hunting season extends 60 miles north — a common ground and negotiate this is short of the Yukon settlement with Ottawa in a year or two—but not by the autumn. He regards a Mackenzie Valley pipeline as inevitable, but wants strict safeguards and Highway, which, within 10 years, will link the Alaska Highway and the south with the Mackenzie Delta via Whitehorse. This in turn will open up the Northern Yukon to mining exploration, accelerating the pace of change in Old Crow.



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SOLVAY GROUP

1976 Results

Rise in external sales and net profit.

| | 1976 | 1975 | 1974 | 1973 | 1972 |
|--|--------|--------|--------|--------|--------|
| Consolidated external sales | 87,847 | 80,263 | 78,391 | 63,796 | 51,994 |
| Cash flow | 11,720 | 8,178 | 11,636 | 9,417 | 7,183 |
| Depreciation | 8,481 | 6,610 | 6,387 | 6,228 | 4,931 |
| Appropriation to the inventory adjustment fund | 350 | 341 | 2,325 | 656 | — |
| Consolidated net profit | 4,888 | 1,227 | 2,974 | 2,533 | 2,252 |
| Applicable to the Solvay Group | 4,083 | 923 | 2,371 | 2,054 | 1,666 |

The financial year 1976 was characterized by a sharp recovery; the climax of which took place at the end of the first half of the year. Some deceleration appeared afterwards in some sectors, especially in plastics.

Our Group benefited from the economic revival. However, this improvement of our level of activity is not entirely reflected in external sales and results. These are adversely affected by a strong appreciation of the Belgian franc in relation to the currencies of most of the countries where our Group is established.

In terms of purchasing power, the actual progression is in line with our normal development during the last 10 years.

Continuation of the capital expenditure and research effort, stability of the number of persons employed.

| | 1976 | 1975 | 1974 | 1973 | 1972 |
|---------------------------------|--------|--------|--------|--------|--------|
| Capital expenditure | 7,066 | 9,604 | 6,580 | 6,406 | 7,531 |
| Research expenditure | 2,257 | 2,230 | 1,911 | 1,633 | 1,402 |
| Persons employed at December 31 | 44,109 | 42,706 | 44,467 | 44,274 | 44,701 |

Distribution of external sales.

| | 1976 |
|---|------|
| Alkalis and derivatives | 21.0 |
| Salts, fertilizers and calcium products | 8.5 |
| Chlorine and derivatives | 9.5 |
| Peroxygen chemicals | 6.5 |
| Plastics | 27.5 |
| Plastics processing | 13.5 |
| Pharmaceutical industry | 4.0 |
| Other activities | 9.5 |

Good results of the parent company; Solvay & Cie Société Anonyme. Keeping-up of the distribution policy.

The net profit amounts to B. Fr. 1,994 million against B. Fr. 1,290 million in 1975 and B. Fr. 1,853 million in 1974.

The Board of Directors decided to propose to the General Meeting on June 13, 1977 to distribute a net dividend of B. Fr. 200, per fully paid share, which would compensate for the reduction applied last year.

The table of the net dividends per fully paid share for the last five years would thus be as follows:

| | 1976 | 1975 | 1974 | 1973 | 1972 |
|------------|------|------|------|------|------|
| B. Fr. 200 | 170 | 185 | 170 | 160 | 160 |

The total gross dividend would thus stand at B. Fr. 250 against B. Fr. 212.50 per fully paid share, and at B. Fr. 100 per C share.

The proposed distribution of the available profit, including the balance brought forward from the previous year is as follows:

| | |
|---|---------------|
| Net dividend of B. Fr. 200 per A and B shares | 1,278,872,000 |
| Net dividend of B. Fr. 80 per C share | 110,867,200 |
| Undistributable reserve (France) | 347,438,800 |
| Investment reserve (Spain) | 45,614,192 |
| General reserve | 52,750,000 |
| Carried forward to next account | 160,000,000 |
| | 165,848,234 |

B. Fr. 2,181,411,425

Copies of the English version of the Company's Annual Report, including the detailed accounts for 1976, will be obtainable, on request, from

Solvay & Cie, S.A.; Secrétariat Général, rue du Prince Albert, 33-1050, Bruxelles (Belgium).

الأكسولفا

FARMING AND RAW MATERIALS

Exports of EEC sugar up

BY OUR COMMODITIES STAFF
BY OUR COMMODITIES STAFF THE DECISION to extend the validity of Common Market sugar export licences by one month re-awakened interest in the weekly EEC export tender...

Amalgamated Metals victim of £1.8m. fraud

BY JOHN EDWARDS, COMMODITIES EDITOR
The group made a taxed profit of £8.55m. last year. The figure for the first quarter of this year was £1.5m.

It is, therefore, a severe blow to the trade when frauds of this kind are uncovered. At present prices, £1.8m. would represent nearly 6,000 tonnes of lead and zinc.

Aluminium loans sought in Japan

TOKYO, June 15. JAPAN'S ALUMINIUM smelting industry has urged the Government to supply ¥800m. in low-interest loans to freeze surplus-financing facilities to help tide it over the current slump...

Talks on farming and uranium

URANIUM SUPPLIES and trade in agricultural products are among the topics expected to be discussed in talks which open here tomorrow between Mr. Malcolm Fraser, Prime Minister of Australia, and the European Commission.

Commission, led by Mr. Roy Jenkins, will lead to concrete initiatives to improve commercial relations between Australia and the EEC.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS
COPPER—Swamp on the London Metal Exchange in fairly active trading. After a dip at the start, prices moved up...

COFFEE

London again retreated under a deluge of selling which continued through the session, reports Draxil Burdett Lambert...

SOYABEAN MEAL

The market opened slightly easier but with no physical interest values slid in London during the morning, reports Draxil Burdett Lambert...

PRICE CHANGES

Metals, Rubber, Wool, etc. Price changes for various commodities.

U.K. fishing stand

THE GOVERNMENT'S determination to secure a fair EEC deal for Britain's fishing industry was underlined by Mr. John Silkin, Minister of Agriculture, yesterday.

When opening the 'Catch 77' international fisheries exhibition in Hull, he said: 'I hope by now the fishing industry knows that the Government are very much aware of the industry's worries about the future.'

Kenya will double tea earnings

By Our Own Correspondent
NAIROBI, June 15. KENYA IS expected to double its tea export earnings for this year. The Kenya Tea Board has conservatively estimated that tea will earn £80.6m. Last year's earnings were £44.6m.

Although this year's record amount can be attributed largely to the high price of tea on world markets, the future looks good for Kenyan tea growers.

Indian Cereals Production

AS IT WAITS for the monsoon freshly harvested wheat lying unprotected and soggy from several night's rain.

It is unlikely that the Government will follow the advice to sell as it would lead to political difficulties abroad and at home.

Stocks go to waste as output stagnates

By a Correspondent
The country's record stock was built up from the 12m. tonne bumper harvest of 1975-76 and through judicious buying on world markets.

The reserve is big enough for two years' supply through the public distribution system, but some of it is rotting because of poor storage conditions.

U.S. Markets

SILVER finished weak in dull conditions. Copper was slightly higher on Commission House short-covering. Sugar was firm on trade short-covering.

Land prices up

THE AVERAGE price of farm land with vacant possession in England and Wales for the first three months of the year was £255 an acre.

This is £25 an acre higher than in the same period last year. Values of tenanted land rose £110 to £481.

MEAT FUTURES

LONDON—Unchanged to a shade easier in a dull session, reports Burdett Lambert.

Wool futures were unchanged to a shade easier in a dull session, reports Burdett Lambert.

Company Notices

EUROPEAN INVESTMENT BANK
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COCA

Table with columns for date, price, and business status for COCA.

Wool Futures

Table with columns for date, price, and business status for Wool Futures.

MEAT FUTURES

Table with columns for date, price, and business status for MEAT FUTURES.

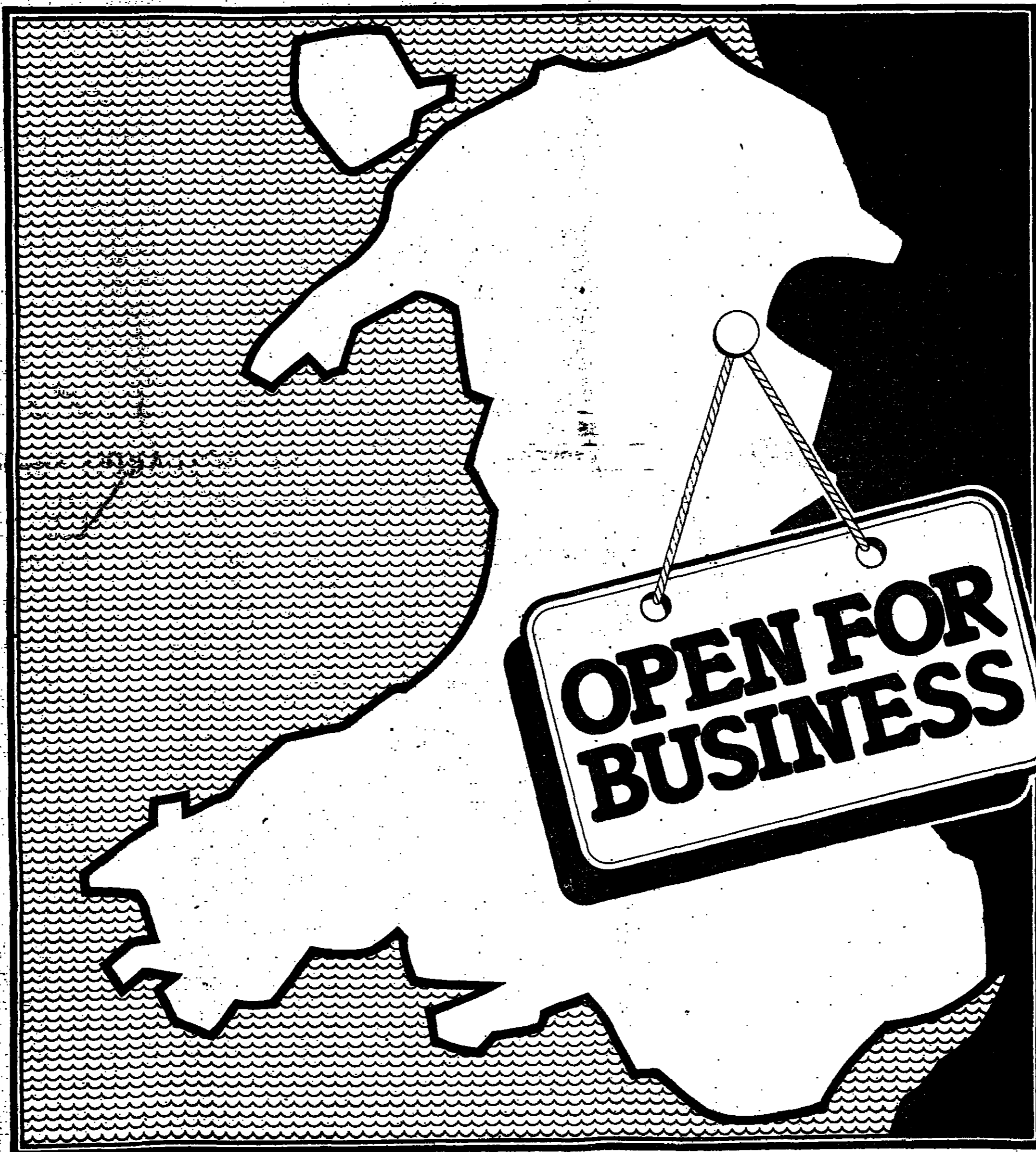
FINANCIAL TIMES SURVEY

Thursday June 16 1977

WALES

Dr J. J. J. J.

Devolution is proving an awkward political issue to settle, and for Wales one on which the Welsh themselves are divided. But whatever solution finally emerges, it seems clear that at root the well-being and progress of the Principality will depend on efforts within and without to establish a sounder economic structure.



Wales is a good place in which to invest or to expand.

The whole country qualifies for the numerous Government Incentives available for Expansion Areas.

In industrial terms the economy is not solely dependent upon the steel and coal industries although these play major roles. The industrial base is broader both in sector spread and in size of business. But there is ample room and every inducement for more light industry or for wholesale distribution points or for mail order houses to mention a few examples.

Newly on the scene, the

Welsh Development Agency can immediately offer:

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The advisory and financial capabilities of its Small Business Unit.

An eagerness to help successful

enterprises of whatever size or kind to expand and to prosper in Wales.

The Welsh Development Agency, as the largest industrial landlord in Wales, is well placed to give ready sensible advice in commercial terms to those considering expansion or setting up anew in Wales.

The Agency, working in conjunction with The Development Corporation for Wales, believes that Wales offers many benefits. Many businesses who have successfully established here believe so too. If you're in business and are minded to move or to expand try a land that is 'Open for Business'.

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Tony Pender,
Commercial Director,
The Welsh Development Agency,
Treforest Industrial Estate,
Pontypridd. Tel: 2666. Telex: 497516.

or, for the ease of those in the USA,

Aled P. Davies,
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Welsh Development Agency

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The Library is closed on Sundays and over Christmas (3 days), New Year's Day and Easter (4 days). Full details of the following available from the Secretary of the Library at the above address:

- The Exhibitions which are held every Summer (10.00 a.m. to 5.00 p.m., free admission)
The Association of Friends of the National Library
The Journal of the Library and other publications
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A mood of indecision

THERE IS, it must be admitted, a certain irony in the mood of indecision or even apprehension which currently affects much of Wales. For after a number of years in which rival protagonists in the language battle have painted out each other's signs, it is Welsh people who at a very definite crossroads for the nation now appear uncertain which direction to take.

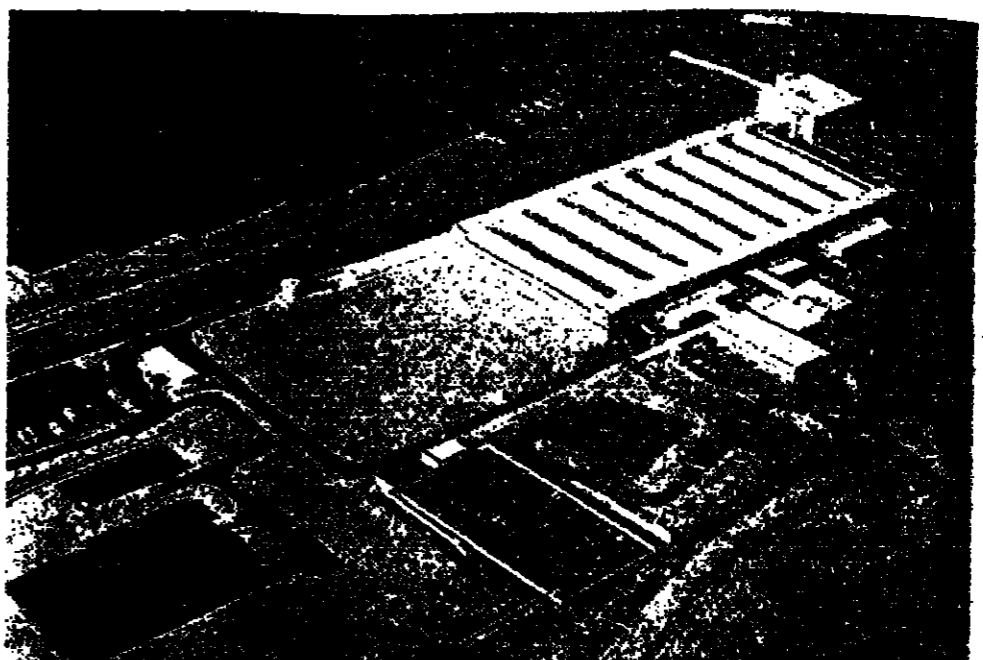
The last 15 years in particular have seen a remarkable development of the notion of Wales as an entity, so that if it was ever true that the three parts of Wales—North, Mid and South—could be regarded as appendages of Liverpool, Birmingham and Bristol, it has become increasingly less the case.

Investment

Even before the big job losses in steel the recession had hit Wales hard, and more than 70,000 people, or roughly 7 per cent., of the total workforce remains out of work. The inflow of new manufacturing industry on which Wales has come to depend over recent years has largely dried up over the past two to three years, though some substantial schemes announced before the recession are due to come on stream soon.

On the other side there is opposition in some areas to Welsh teaching in schools and if some sections of the population are now less than enthusiastic for the Assembly one of the reasons is fear—fostered to some extent by the anti-devolutionists—of domination by a language minority.

It is through this minefield that the Government has to plot its course in reviewing its devolution strategy for Wales over the next few months with the knowledge that its own ranks are the most firmly divided on the issue. The attitude which Plaid Cymru and the Liberals on the one hand and the Conservatives on the other take towards the setting up of an Assembly in Cardiff is clear enough.



A model showing the new manufacturing complex being built by the Welsh Development Agency for Hower Ltd. at Merthyr Tydfil. The £10m. project the biggest single investment by the WDA and when complete in about two years time is expected to provide around 3,000 new jobs.

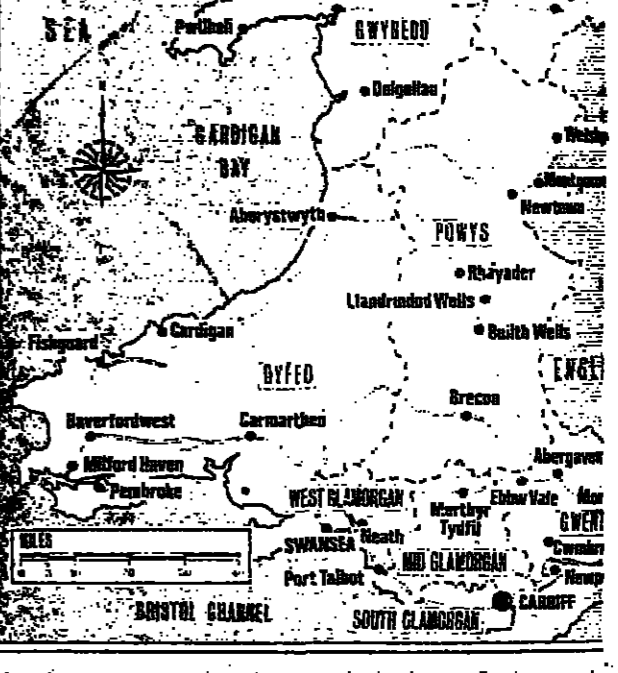
On the Labour side, however, while the party in Wales has supported an elected assembly for nearly ten years with votes in favour every year at its annual conferences, a section of the Parliamentary party remains implacably opposed.

There are other areas too where a need for firm policy-making whether through an Assembly or not, have emerged. In industrial South Wales the various counties are engaged in drawing up their own structure plans without any real settlement of the basic issue whether development should be encouraged in the valleys or in the coastal plains, in particular the new tracts of land which could be made available along the banks of the upper Severn.

county and district tiers built into the structure. A consensus is now beginning to emerge in favour of a one-tier system as a means of reducing some of the duplication and of restoring more manageable county areas in some parts.

Whether or not an Assembly is eventually set up to help resolve some of these issues, the dominant influence over the period immediately ahead in Wales will again be the state of the overall U.K. economy, for it is on this that the ability to sustain the higher levels of spending needed to improve the social and industrial base still largely depends.

Nevertheless, while Wales's close links with the rest of the U.K. remain crucial to its future prosperity, much of the effort



Rhys D

Debate

There is also debate in Wales over whether or not there is a need for an overall plan. Mr. Morris himself has rejected the idea in favour of allowing local authorities to come up with proposals tied to local requirements and conditions, but there are others who argue that a new broad framework outlining the targets to be aimed at and the strategies to be adopted is needed.

The other issue which also now needs a firm lead is whether or not the new system of local government in Wales requires further modification. The new authorities set up in 1974 have run into widespread criticism—not least from some of the authorities themselves—because of the enormous size of some of the units created and the consequent distances that members and officials have to travel, and because of the scope for disagreement between the

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Overhaul of aid machinery

IT IS, a somewhat sombre fact that regional assistance in its various forms has long since passed its Jubilee in Wales. More than 40 years have now gone by since the first Government-built factories began to appear, and despite periodic changes of policy and virtually continuous effort, major problems remain.

Nevertheless, though new initiatives bring justifiable scepticism, some recent developments are giving rise to cautious hopes that a new period of more effective action to tackle seemingly intractable problems may be in sight.

The possibility arises because, at a time when new investment into Wales has been virtually at a standstill as a result of the recession, the opportunity has at least been taken to give the assistance machinery its biggest ever overhaul.

Further recovery in trade and in U.K. prices generally obviously offer main hope of relief, but the WDA believe that long-term help will have to be placed in future on stimulus growth among existing firms.

Through the Development Corporation for Wales, a largely funded by the V search for new investment from Europe, North America and Japan will continue recent inquiries are said to have been encouraging, but "recognised that in the next few years there will be much footloose industry about a more competition for it."

Wales, and will be helping with the more general work of promoting Wales as an industrial location. Nor is it the only new organisation to arrive on the scene. In mid-Wales, an area long hit by depopulation and the decline of traditional rural industries, the Rural Development Board for Wales will be trying to bring together previously diffused effort. Working closely with the WDA, it will take on responsibility for promotion of rural industries and for extending the work hitherto done by the development corporation in Newtown, Powys, over the whole of the largely empty mid-Wales area.

In another move, responsibility for administering industrial policy in Wales has been transferred from the Department of Industry to the Welsh Office, where something approaching a crusade is now under way to make known the scope and range of the selective assistance now available to industries either coming to Wales for the first time, or equally importantly, already there.

For this new structure as for the old, the problems are apparent. Though there was considerable success in the 1950s and 1960s in attracting new manufacturing industry to Wales, the base of the Welsh economy remains too narrow, with too much dependence on steel and tinplate, and to a lesser extent now on coal. Wales continues to be one of the parts of the U.K. most seriously affected by unemployment, despite some narrowing of the gap with the rest of the U.K. in recent years. The proportion of

people drawn into work in Wales, and particularly women, continues to be the worst in the U.K., depressing income per head and the overall Welsh standard of living. A study by Cambridge economists for the Welsh Office put the number of new jobs created between 1960 and 1972 at 80,000 against a total of 250,000 required to replace those lost and to bring activity levels up to the U.K. average.

The prolonged recession of 1974-75 has itself exposed further weaknesses. A large proportion of the Welsh workforce is employed in very small units supplying goods and services to the nationalised industries and to manufacturers of final products in other parts of the U.K., so that Welsh companies have been particularly hit by the cut-back in ordering. Redundancies declared in Wales jumped from 7,410 in 1974 to 17,201 in 1975, 20,372 in 1976 (including construction workers) and in the first five months of 1977 amounted to 10,493. As a result, at the bottom of the recession Wales moved above the North of England and Scotland to the top of Britain's unemployment league, and although it has now returned to its more traditional third place, there are still some 77,555 people out of work, steel and tinplate, and to a roughly 7.4 per cent. of the total workforce.

Even this high overall percentage masks disturbingly high levels in some towns. In Cardiff and Milford Haven the first deals with a number of small companies have been

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difficult

The need for new jobs

THERE ARE early signs that confidence is returning to industry in Wales—although the region is still deeply affected by the recession. An indication of the slight shift towards a more secure future are the 127 enquiries received in the first four months of this year by the Industry Department of the Welsh Office from companies which are looking for sites for factories. In the same period last year there were only 95 enquiries, and officials feel that interest this year could be creeping up to 1976 levels.

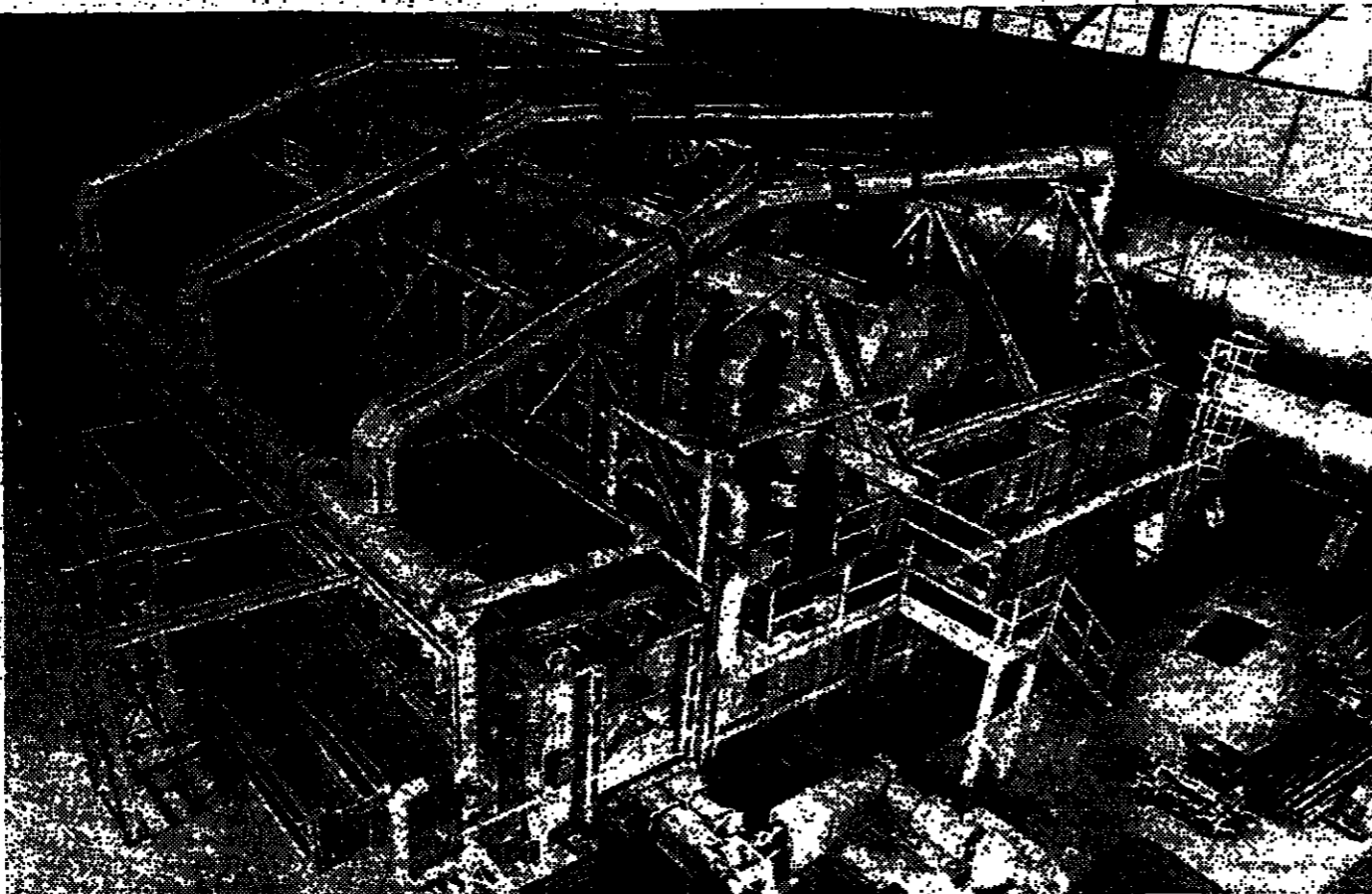
The 18-month-old Welsh Development Agency has also noticed an increase in the number of companies in the past three months seeking information about its advance factories. The Welsh Office and the WDA interpret these stirrings over possible investment as moves in the right direction but not yet positive proof that better times are just around the corner.

Their analysis is backed by the banks, who say industrial investment is patchy, with most companies being too cautious about the future to embark on major schemes. There have been notable exceptions—GKN in Cardiff completed a \$51m. electric arc steel plant and rod mill during the recession. Hoover's at Merthyr decided to go ahead with a \$10m. expansion and the British Steel Corporation received permission to invest £885m. for doubling the output at the Port Talbot steel-works.

But the Welsh industrial malaise—when the United Kingdom's economy catches a cold Wales gets pneumonia—has really struck home during the last few years. Unemployment is a virtually static at almost 80,000, about 7.7 per cent. of the working population, and any falls are simply due to seasonal factors or Government measures such as Job-Creation and Work-Experience. The Welsh rate of unemployment has been constantly higher than that of the U.K., and a disturbing feature has been the high proportion of jobless in the under 25 age group.

There have been no signs of any major re-employment of people in manufacturing, and predictions see no change in the underlying jobless levels at least for this year. Companies are still closing, and in addition there are cuts in work forces through redundancies and natural wastage, but the pace of major reductions appears to have slowed from the 1976 levels.

Welsh industry has been stretched to its limits in coping with the recession, and generally the companies geared for exports are the healthiest and most confident. Positive efforts have been made to seek out new export markets, and in 44 leading Welsh firms, surveyed by the Welsh Office, sales overseas were up in 1974. A completely new



A new rod mill at GKN (South Wales) Ltd's, Castle Works in Cardiff.

average 50 per cent. in 1976 compared with 1975. One example of diversifying to capture exports is the industrialised house building system designed by the Caerphilly-based steel, door frame and hinged components. The company has already won an order for five of the homes for Saudi Arabia—one of them with four bedrooms and two bathrooms—which can be erected on site in a week. There is a good chance of an order for at least another 25 of the homes which are developed specifically for hot climates.

Expansion
Avon Inflatable's export record—about 60 per cent. of its production is sold overseas—has prompted the company into a major expansion. To meet increased demand for rubber boats, life-rafts, life-jackets and other equipment the company have recently started production in a new factory at Hendy, near Swansea. Further expansion means that by next year Avon Inflatable will have three times the floor space of its original premises at Llanelli. The current work force of about 400 will be increased by 170 over the next three years.

The coal industry in South Wales has pushed ahead with massive investment and recruitment despite the recession and continuing heavy cash losses. About £40m. of capital spending has been committed so far to the coal fields since the Plan for Coal—the Government, trade union and National Coal Board exports as home markets have been flagged. In 44 leading Welsh firms, surveyed by the Welsh Office, sales overseas were up in 1974. A completely new

mine at Betws, near Ammanford, will start producing anthracite next spring. Other major schemes have included joining neighbouring pits into larger more efficient units. Elsewhere, new drift shafts have been sunk to extract coal more quickly, or open up extra reserves.

Early next year the NCB South Wales area is expected to put to the national Board a £40m.-plus plan for a new mine at Margam, near Port Talbot, to exploit 31m. tons of high quality coking coal. Test borings and seismic surveys have been carried out, and work is under way on preparing a feasibility study for the project.

South Wales has the U.K.'s only anthracite seams and about 70 per cent. of the country's reserves of coking coal—and both fuels have assured long-term demand. The area is suffering short-term problems of low productivity and cash losses, but these are expected to disappear when the full benefit is reaped from investment schemes now taking shape. In addition, the requirements for power station coal are below predicted levels because of tech-

Overhaul

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been announced, involving a total expenditure so far of about £1m. A £250,000 stake is being taken in M. Mole and Son of Newport to help it expand overseas sales of its self-grip wrenches and other hand tools, and other stakes have been built up in an electronic concern, an aluminium extruder and a woollen company. Although these are all comparatively small, a total of 55 serious applications for investment finance are now being considered in the Mid Glamorgan, enabling the company to expand its production to encourage companies needing help to come forward, the agency has let it be known that the equity stakes may be sold back later on agreed terms—a decision which has indicated that the agency is prepared to differ on some matters of principle from the N.E.B., where Welsh conditions demand a different approach.

One of the major problems, according to Ian Gray, a Scot who has previously held a senior civil service industry job in Wales, is that many Welsh companies are under-capitalised, especially those without the backing of a parent elsewhere. Many have funded long-term growth with short-term borrowings and have run into particular difficulties in times of tighter credit.

The WDA sees its role as helping to expand the capital base and so remove difficulties of this sort. By ceding an equity stake rather than taking a loan companies will not be faced with an extra charge on the business and gearing will also be improved, making it easier to borrow from other institutions. This in turn can help companies to grow by giving them access to money needed to re-equip, to improve their technological base or to expand into new products or markets. "The emphasis is on the development of profitable enterprises with long-term potential. It is not on the provision of short-term finance nor on the preservation of employment where there is no prospect of long-term profitability," Mr. Gray points out.

The agency also hopes to be able to help businesses by the provision of advice, using either its own resources or outside expertise. "Many firms in Wales fail to meet their objectives of profitability and expansion, not because their venture is fundamentally unsound but because they lack expertise in certain areas. A limited amount of

changes are working to the disadvantage of Wales at a time when help is most needed. A major blow was the ending of the Regional Employment Premium, which was worth more than £25m. a year to Welsh manufacturing companies. The Confederation of British Industry predicts that as many as 8,000 job losses could eventually result from the axing of REP as firms cut work forces and cancel expansions.

There is also concern that the Industrial Development Certificate system is being weakened, with the Department of Industry now more willing to grant certificates for factory expansions in the Midlands and the South-East of England. Traditionally Wales has drawn many of its new firms from these areas—moving in through a combined result of the attraction of regional grants and the inability to get IDC's for expansion at existing locations. Grow-

Celtic Sea Oil has not lived up to the early expectations of some industries. Seven exploration wells—all unsuccessful—have been sunk but there has been no drilling so far this year. Several firms invested in anticipation of winning business from the Welsh offshore industry, but results have only been spasmodic. The 60 Welsh companies which are involved in the offshore industry on a more regular basis are working in the North Sea and elsewhere in the world.

The Government is facing increasing criticism over the effectiveness of its regional policies. There are fears that

ing difficulty in bringing in firms from other parts of the U.K. is placing a growing emphasis on winning foreign investment. The WDA has recently increased its grant to the Development Corporation for Wales, which will be in the forefront of the struggle to entice new jobs to the region.

Loan

Growing stress is being placed on help from the EEC Under the European Regional Development Fund Wales has already received more than £17m in aid to schemes including improving the infrastructure as well as assistance to individual companies. European investment bank loans for projects has reached about £100m., most of it to the steel industry, to improve telecommunications and power supplies. The most recent loan was £8.2m to the Welsh National Development Authority for sewage and water projects in South Wales.

The industrial face of Wales has changed dramatically, with the balance moving away from coal mining and steel towards a greater diversity. In 1965 mining and quarrying employed 94,000 people in Wales and engineering of all types 58,000. By 1974 employment in the primary industries had dropped to 48,000 and engineering had overtaken them with 69,000 workers. In the same period employment in metal manufacturing—mainly the steel industry—decreased from 99,000 to 83,000 and has fallen considerably since due to BSC closures and manpower reductions aimed at equalising European levels.

Much more needs to be done to ensure Wales against the worst of future recessions. A study by Cambridge University economists Barry Moore and John Rhodes showed that between 1960 and 1972 about 70,000 to 80,000 new jobs were created in Wales. In relation to its size Wales was more successful than any other Assisted Area, but to solve the imbalance in the region's labour market up to 250,000 new jobs need to be

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Steelmaking: the old and the new

PORT TALBOT has been the focus of the steel industry in Wales this year. The announcement of an \$85m investment programme in March was followed almost immediately by a disastrous nine-week strike by electricians at the plant which led to ominous noises from the management about the wisdom of the investment and in the end delayed its operation.

That the investment programme should have been greeted in such a way by a small group of men - around 560 strong out of a total workforce of some 13,000 - was ironic because the decision by the British Steel Corporation to go ahead with the spending will put Port Talbot into the big league over the next decade. By the mid 1980s when the programme has been completed, Port Talbot's output of flat products will have risen from today's 3m tonnes to some 6m tonnes and if all the promises are adhered to on the unions' side the output per man per day should be comparable to the best that the Japanese, the world's leaders, now produce.

However, there is a further irony about the Port Talbot decision. The decision to go ahead was taken at the same time as it was decided to save Shotton in North Wales, one of the Corporation's older plants and one of the few still using the outdated open hearth method of making steel.

There is little doubt that the decision to keep Shotton going - at a cost of about £10m. on some new equipment - was in-

posed on the Corporation. In its 1973 plan for the industry no place was found for Shotton and its 6,000 workers. But both they and their local MPs fought a strenuous rear-guard action. Shotton is not an area where such a large number of men could easily have found alternative employment and the effects of the closure of the works is known to have been discussed within the Cabinet.

Faced with such pressure, the Steel Corporation bowed gracefully to the inevitable and reprieved Shotton for at least five years. But it did so by refusing to spend more than the absolute minimum on the works to keep it operating efficiently.

But, as in all things, there are compensations. The Corporation is still able to produce steel cheaply at Shotton despite relatively high production costs because the cost of the plant has been written down. There is an even more important compensation. As the electricians' strike proved, the transition from a low-output plant at Port Talbot (now about 230 tonnes per man per year) to Japanese levels (500 tonnes) could be accompanied by difficult industrial relations.

Shotton is an insurance. If Port Talbot is shut or running below par for any reason continuity of supplies will be ensured by having Shotton on stream. Shotton will also be more than useful if any snags arise during the installation of new equipment at Port Talbot

that cause production delays. By the time Port Talbot is completed the present workforce is expected to have been reduced to around 12,000 men. The unions have accepted this cut in principle, but since it will take place over the best part of a decade most of the men displaced are likely to go as a consequence of natural wastage.

The upgrading of the new works will take place in two stages: it was intended that the first stage, boosting output to 4m tonnes, would have been finished by the financial year 1981-82; and the whole project completed by 1985-86. But the strike has inevitably cast doubts on these dates because instead of awarding the initial major contracts next month the Corporation may have to hold back now until the next financial year, which means a delay of at least nine months. Stage one will therefore probably be pushed back into 1982-83 and final completion into 1986-87.

Improved

This would be more than a pity because the programme is not just intended to benefit Port Talbot. The improved quality of product that will result is essential to the two rolling plants at Treostre and Valindre. These two, which take around 20,000 tonnes a week from Port Talbot, are oldish works, built in the early 1950s. They supply much of the tin for the country's canning industry. They both have newish tinning lines, but unless they are to get the improved product that is promised from Port Talbot they could face increasingly severe competition.

Elsewhere in Wales the Corporation also faces difficult problems. The decision to close the old East Moors works in Cardiff has been taken and steelmaking at Ebbw Vale, right in the heart of Mr. Michael Foot's constituency, has already started to run down. Both present local employment problems.

To some extent, the Cardiff part of the plan is marginally less difficult to plan for because Guest, Keen and Nettelfolds opened a wire rod mill and an

electric arc furnace plant in the city in February, which is a \$52m investment.

East Moors employs some 4,000 people but GKN with its expansion is expected to raise its workforce by between 400 and 500. While welcome to the city, this is not a lot, and it certainly will not cover the run down at East Moors. However, there is an understanding that where possible workers at East Moors will be offered jobs at GKN. No such alternative exists, unfortunately, at Ebbw Vale.

GKN's decision to put a mini-mill in Cardiff represents one of the largest single investments in the city, certainly the largest piece of industrial capital spending. The rod mill replaces the company's own 26-year-old mill at the Tremorfa works and will have a capacity of around 600,000 tons of wire rod of coiled bar a year. Most of this will go to other firms in the group.

The allied Tremorfa works will provide a major part of the billet tonnage required for the Castle works. Output of 400,000 tonnes a year is envisaged, based to a considerable extent on scrap.

GKN also has a plant at Brymbo, in North Wales, which it bought back from BSC after its was nationalised and is now in the process of modernising and expanding facilities there. Nor is this likely to be the end of the mini-mill story in Wales. A Greek consortium has plans to put up a plant in Newport while another of Britain's independent steelmakers, Dupont is currently engaged in a major re-equipment of its Llanelli plant.

At Ebbw Vale the social problems associated with the run-down of steelmaking are quite enormous. This is not an area where alternative employment exists in any quantity and the fears are particularly acute for young people seeking work for the first time. The old works has traditionally been the place where many received their apprenticeships and with its going small light industry, largely employing women, will be almost all that is left. The Government was so concerned at this that it sought a speeding-up of Hoover's expansion plans

in Merthyr in order to find an alternative form of work.

All that remains of the steelmaking are the old open hearth furnaces. Two blastfurnaces were closed in 1975 and a basic oxygen plant has been closed. The next move, probably in September, is the close of the hot strip mill, which means the end for some 250 men. While steelmaking is being phased out the £16m. tinplate complex at the plant is near completion, and this will provide work for some 300 perhaps as many as 200. The Corporation also plans a second phase tinplate complex a while Ebbw Vale would like to see the old Trostre and Velina

Valley

At the top of the valley is privately owned Natural Tube's electrical resistance welded tube mill at Tafarbach, a £5m. scheme. This is colour-coated plant capable of turning out up to 100,000 tons a year of tubes and pipe. Alongside will be a factory producing building panels, kitchen units. Eventually, the tinplate will employ 400 people.

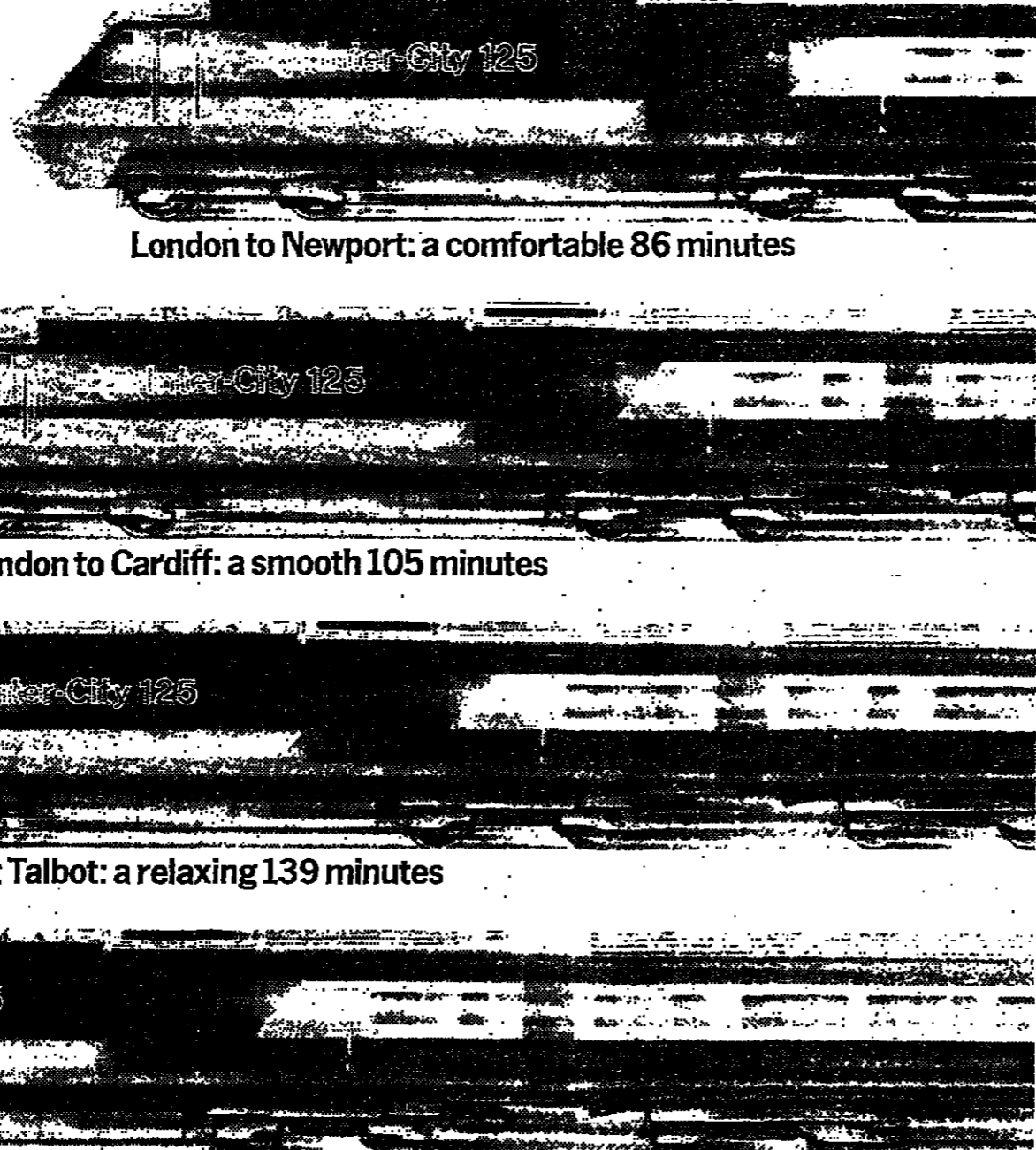
Which just leaves Llanwrthwl, the child of the Macmillan era a monument to the folly of political decision making in industrial world. After a period of some difficulties Llanwrthwl is now working well. The third three blast furnace is broken records - as, in truth, it should - but there are no plans to expand the present 3.5m. ton a year capacity.

Much of the output in Llanwrthwl goes to the rail industry and rightly the rail roll from the Midlands to Dagenham and the Midlands. Output has been running at about 30,000 tonnes a week recent and is expected to rise.

If there is little to say about Llanwrthwl it certainly will concern the Steel Corporation industry. It has had its share of problems in the past and the are enough difficulties in its transition to a modern, independent steel industry in the rest of Wales for BSC not to be unthankful for some peace; one of its most important work

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The foreign invasion

IT IS probably significant that one of the first indications in Wales that the worldwide recession has been coming to an end has been provided by the U.S.-controlled Hoover company of a major expansion of its Merthyr Tydfil, Mid-Glamorgan, plant.

For, as a recent study* has shown overseas investment is now making a major contribution to the Welsh economy and represents one of the main hopes for its continued growth over the years ahead. A phenomenon that has developed almost entirely since the last war, overseas investment has helped considerably with the necessary broadening of the Welsh economy away from its excessive specialisation on coal and steel, and has helped to fill a large part of the jobs gap created by the decline of older industries. At Merthyr Tydfil the 3,000 jobs the Hoover plant is expected to provide will so some way to compensate for the rundown of employment at the Ebbw Vale steelworks in one of the adjoining valleys.

The list of overseas companies in Wales now includes, apart from Hoover, such big names as Alcoa - currently completing a \$35m new plant at Swansea - Ford, Monsanto, I.T.T. Sony, and four of the biggest U.S. oil companies - Esso, Amoco, Gulf, and Texaco - but they have been joined by very many other small and medium-sized overseas companies, some expanding from bases elsewhere in the UK.

And others making Wales their first European base of activity. From a total of only four overseas companies in 1945 the total in Wales grew to 49 by the end of 1964 and 127 ten years later. Jobs provided in Wales by overseas controlled companies in 1974 amounted to 53,000 - more than double the 1964 total, and the equivalent to nearly 16 per cent of total manufacturing employment in Wales. Furthermore, other though the bulk of investment - whether measured in jobs, capital or output - comes as might be expected from North

America, a total of 15 countries are represented, including some of the less well-off, among them Ireland, Nigeria and Spain. The number of both German and Japanese companies in Wales - 13 and 4 respectively - is greater than for any other U.K. region.

Success

The attraction of overseas companies to Wales has plainly been, therefore, one of the main industrial success stories of the past 30 years with total investment standing at the end of 1974 at around £500m, and with the companies involved sharing an estimated turnover (excluding oil) of £665m, and exporting goods overseas to the value of £187m. The importance of overseas investment to the Welsh economy can also be gauged in another way. Foreign concerns account for a substantial proportion of total employment in Wales in a number of sectors which have shown above average rates of growth in recent years - sectors which would otherwise have remained largely under-represented in the Welsh economy. Thus some 38 per cent of all workers in the chemical industry in Wales are employed by overseas companies and nearly one-third of those in electrical engineering, and instrument engineering. In vehicles - joined by very many other small and medium-sized overseas companies - employ 39 per cent of the Welsh workforce in this sector.

But while the importance of the overseas stake is clear, were there any particular reasons why companies came to Wales and has their experience been happy? As might be expected the primary reasons for choice of a new manufacturing location in Wales cited in the report by the Overseas Companies are the desire to expand output and the availability of government financial inducements. Other important factors working in Wales's favour have been the availability of labour, suitable sites, good communications and

proximity of linked supplies and raw materials.

Somewhat reassuringly, main apprehension felt by potential investors - poor industrial relations - is not born out by the experience of companies coming to Wales. Two authors of the report, Professor Glyn Davies and Dr. Thomas, both of UWIST, believe. A questionnaire answered by roughly half the overseas-owned companies showed that 85 per cent of companies classed industrial relations over the past 10 years as being from excellent to satisfactory. Though the strike performance of overseas companies turns out to be marginally worse than that of indigenous companies, there were complicated special reasons for this and the report concludes that industrial relations data generally explodes the myth that simply by crossing the Welsh border in either direction, significantly influences industrial relations.

The industrial relations record therefore is on the good, as is the survival record of companies attracted to Wales.

CONTINUED ON NEXT PAGE

OVERSEAS INVESTMENT IN WALES

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Devolution remains a minority view

HERE IS a sense in which the Welsh honeymoon with nationalism is over, and country id movement have now settled down into the uneasy relationship of a less than well-matched couple. Welsh opinion has hardened more strongly than ever before. Nationalism has not only been politically, into one party, Plaid Cymru, although it remains a long way from being a monopoly of devotion to a Welsh way of life almost as hard to find as the ideal of a free England.

Great play has been made in the rise of nationalism in Wales, but the demand for devolution has never been as strong as in Scotland. Often people would be puzzled by the length of the clamour for devolution, reported daily in the local press, on radio and television, especially when there appeared to be very few people in the immediate neighbourhood who were bothered about it. A vociferous fringe made the clamour, but, in the opinion poll figures as they stand, the call for devolution is a noisy one, and a commonly pressed view when the Government's plans for it fell apart as one of relief.

Undoubtedly nationalism has made astonishing strides in Wales, but the basis of its advance, in the anglicised South-west, is not so much nationalism as an acceptable socialist alternative to the South Wales power establishment. It is the party that has so far been able to wean the solidly Labour voters away from their inborn allegiance to the Labour Party, and this is because Plaid Cymru itself is a socialist party

untainted by generations of oligarchy.

Only 20 years ago, the whole idea of a Welsh Party, Plaid Cymru, was a joke. The thought of it winning even one council seat was unthinkable. Last year, Plaid Cymru thought the unthinkable, put up hundreds of candidates in South Wales, and achieved its most brilliant success in Merthyr, where it overtook a Labour majority of at least 50 years' standing. Keir Hardie's heirs almost refused to believe it. One year and a couple of minor scandals later, Plaid Cymru has lost two seats and something of its new broom gloss. The Labour Party still shows signs of delayed shock. Plaid Cymru has not quite performed the miracles expected of it. But even if next time Labour regains power, Merthyr will never be quite the same again.

The council's latest move is to announce that it intends to introduce the Plaid Cymru policy of bilingualism. For a start, some forms will be translated into Welsh, a mild enough beginning, but the council has already run into opposition from the local branch of NALGO, which fears that jobs will be decided on a language criterion.

language on the map in every-day life, their activities were accepted with a measure of tolerance. The Government had already accepted the principle that Welsh should have parity with English. Many official forms were printed in the two languages; court cases were heard increasingly in Welsh, and the young militants, mostly students, were seen as putting some extra zip into the process.

You did not by any means have to be Welsh to regret the erosion of Welsh Wales: remote farmsteads, for generations the repositories of a Welsh-speaking, chapel-going culture: in a simple, rural tradition being taken over by urban hippy groups; country cottages bought and tarted up, their original Welsh names changed into something trite from an English suburb. The insistence on place-names in Welsh was one way of re-dressing the balance. The emphasis on the teaching of Welsh, the growing numbers of all-Welsh schools, and a movement to create a Welsh "Gaeltacht", an area where only Welsh was spoken, and the development of crafts and small industries ensured enough work to keep the natives there, all seemed a practical as well as an idealistic response.

But now this mood of tolerance is changing sharply. Several incidents have pointed to the intentions of some militants that Welsh should not have parity, but precedence. Students at University College, Bangor, demanded a few months ago priority for Welsh in all aspects of the college's administration—all lecturers to learn Welsh, Welsh always in the left-hand column, in bi-lingual

notices, Welsh on top when notices were stapled together. Then there was a xenophobic call from a section of the Welsh Language Society for restrictions on "the never-ending flow of English immigrants to rural Wales," a demand that aroused as much distaste among Welsh-speakers as anyone. But perhaps the most explosive issue is the place of Welsh in the schools. Many parents are becoming restive about a policy of compulsory Welsh in some parts of Wales.

Choice

One form of backlash is coming from a surprising quarter, Aberystwyth, one of the intellectual centres of nationalism, and it is coming from people who include many native-born Welsh-speakers.

The newly formed Language Freedom Movement wants a policy for the language based on freedom of choice, a freedom which allows them not to have their children taught Welsh as well as the freedom to surround them with the language from birth. The movement is a small one, but it has potentially a greater pool of support to swim in than the Welsh Language Society.

Those who want to preserve and save Welsh are acting with

the urgency and anger of those who know that unless more people use it in daily life, it is doomed as a living language. All the Welsh signposts, all the Welsh street names, and all the Government buildings identified in two languages are so much window-dressing. Realism dictates that all commercial advertising is in English. Children and the schools are a focus of the conflict because this is where the fate of Welsh will be decided. In spite of the popularity of Welsh classes, few people learning a language in adulthood become really at home in it. There is a real ambivalence about the language in Wales. Many people want it to exist, but do not want to be involved in keeping it alive, yet Welsh is the key to a literary and poetic treasure house, and if it vanishes, not only Wales, but all Britain will be the loser.

The language will continue to be a stormy issue in Wales, and so will the policies of Plaid Cymru, whose fortunes are charted daily and whose spokesmen never stop speaking. It is sometimes hard to believe that they hold only about a quarter as many seats as the Conservatives do in Wales—and no one has yet described Wales as going Conservative.

Isobel Carson

Invasion

CONTINUED FROM PREVIOUS PAGE

destroying another myth, at the development areas can attract low-skill, branch factories which will close with the first chill blasts of recession. The survey points out that companies expanding from overseas are likely to be among the most efficient in their sector and the statistics of success would seem to bear this out. A handful of overseas companies attracted to Wales, have subsequently closed down their Welsh operations and according to the authors more than 95 per cent of overseas concerns have managed to make roots and grow.

Nevertheless, despite the successful record of overseas companies in Wales the question remains whether the pace of inward investment can be maintained over the years, and in the less favourable economic conditions which now seem certain to prevail. Though it has done well, its record

is no better than that of Scotland or Ireland, both of which have also seen substantial inward investment from overseas. With around 80 per cent more population than Wales, Scotland has managed to secure 97,000 jobs from overseas companies—roughly 80 per cent more than the Welsh total. The Scots have been successful, however, in attracting companies with a much greater stake in export markets and can be expected to benefit from the growth in these. The Irish who began their efforts to attract overseas industry later than Wales and Scotland have caught up with Wales in terms of employment provided—around 57,000—and because of the tax benefits they can offer also have a high proportion of export-orientated industry.

The report puts at around 120,000 the number of jobs which will need to be provided from all sources in Wales over

the next decade, of which two-thirds will have to be in the manufacturing sector if the twin objectives of stimulating U.K. manufacturing investment and restructuring the Welsh industrial base are to be followed. The task of attracting these jobs will not be any easier, than in the past, however, for a number of reasons. In particular, the outward push from the Midlands and south-east of England anticipated in the 1980s as a result of population growth is now going to materialise and with the more prosperous parts of the U.K. also suffering during the recession it is assumed that the rest of the U.K. will probably not be able to supply more than 25,000 jobs over the next decade.

Difficulty

The expansion of existing industry within Wales is seen as capable of providing possibly a further 25,000 jobs, leaving another 30,000 jobs in the manufacturing sector to be found from the only other source available—overseas companies. Here a major difficulty is the flattening out in the surge of overseas investment by U.S. companies which took place in the 1950s and 1960s with American concerns for a variety of reasons now concentrating more on investment at home. Fortunately Wales has managed to establish good links with Japanese industry which could develop as a major source of overseas investment over the next decade, providing political and union objections to the operation of Japanese companies in the U.K. are overcome.

One of the drawbacks from which Wales suffers, however, in the increasingly tough world competition for investment, is its lack of representation in some of the important decision centres. Whereas Scotland, which has enjoyed the benefits of administrative devolution much longer than Wales, is represented in London by various agencies, including the Scottish Tourist Board, the Scottish Council for Development and Industry, and the Scottish New Towns, similar Welsh bodies have been slow to follow suit.

By contrast Ireland, with a smaller economy than that of Wales, mounts its effort to attract overseas investment with offices not only in London but in France, West Germany, Denmark, Japan, Canada and the U.S. With fewer overseas companies likely to be seeking to expand Wales is clearly going to have to step up its efforts simply to maintain its share.

Overseas Investment in Wales. Prof. Glyn Davies and Dr. Ian Thomas, Development Corporation for Wales, 15, Park Place, Cardiff. £9.75.

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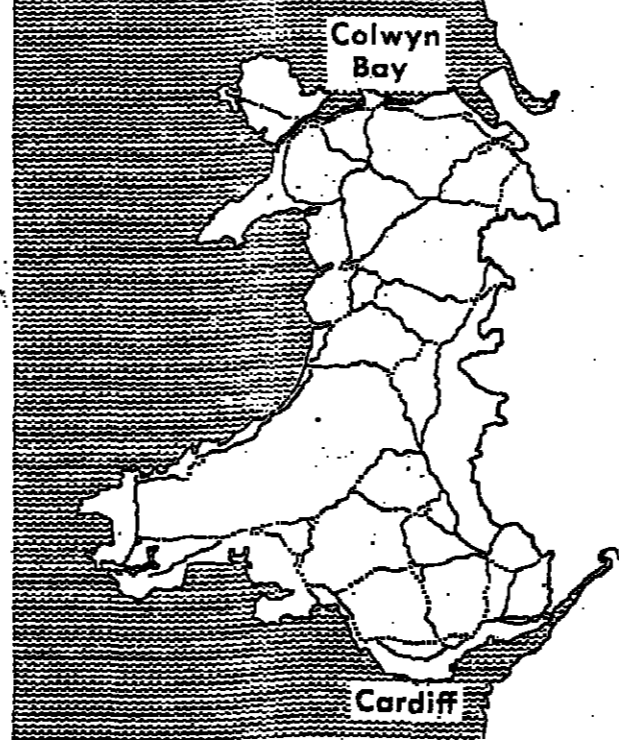
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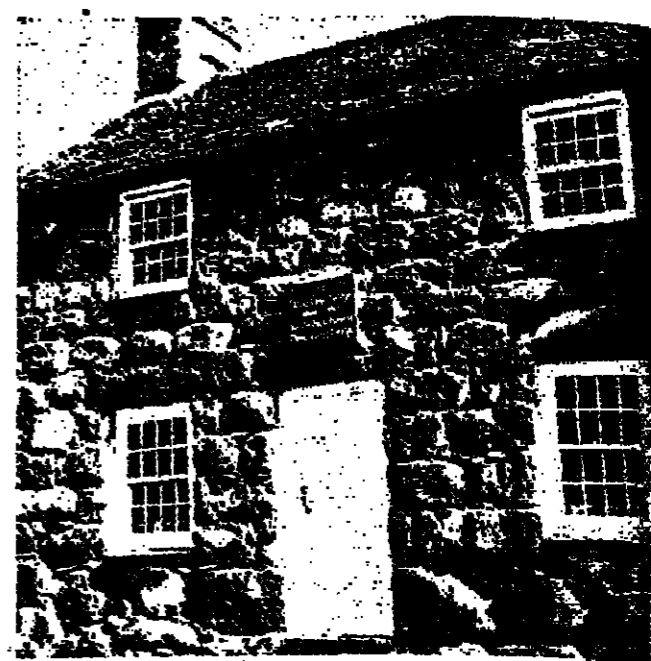
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WALES VI

Wooing the visitor



Lloyd George's boyhood home in Llanystrudwy, Gwynedd.

THE WELSH have long memories. Anyone remarking on the current drive to promote Wales as a conference centre is apt to be reminded that no boasting is intended but, actually, Wales had a conference centre back in AD 80. It was at a place called Caerleon. The Romans built it, it was known as an amphitheatre and it seated 6,000 people. Audio visual facilities were excellent.

None of today's conference halls quite manages to cope with that number of people, but then neither do many conferences. One of the chief attractions of Wales as a conference centre is not just the fact that it is geared to deal with large numbers of people converging on one of a number of places at the same time, but that it offers such a lot for them to see after the talking has stopped. Welsh cities and towns are not vast sprawling affairs. They are easy to get to and every one of them is within a short drive of attractive countryside or coastline.

One of the Principality's up-and-coming conference centres is the old walled town of Tenby, with its high Georgian houses, colourfully washed in pink, white and blue overlooking the

harbour. The new, central, air-conditioned De Valance Pavilion, opened in 1974, seats up to 550 delegates, and has a restaurant for 80 people. The Pembroke Room a little out of town, has a seating capacity of 1,250. Two hotels with ballrooms cater specifically for conferences, but there are more than 1,400 bedrooms in good licensed hotels available. Tenby offers a rewarding range of activity outside conference hours. The nearby island of Caldey with its Cistercian monastery, is open to day visitors, the water around it is full of seals and there are cruises to bird sanctuaries. Tenby also offers all the usual holiday facilities and manages to remain unspoilt by it all.

Swansea has one of the finest bays in the United Kingdom and its largest meeting place is the Brangwyn Hall (up to 1,400 can be accommodated). The university of Swansea has 1,000 beds available as well as meeting rooms for up to 400. Hotels include the Dragon, the city's largest, and the Dolphin, in the older building. Both can handle meetings for up to 300 people, and across the foyer, the smaller Arena Theatre is designed, in the round, for up to 150 people.

The Assembly Room in the City, Hall, in the middle of

in the rolling green hills of Powys with huge hotels crying out for another use. Now they are coming into their own again as conference centres.

Llandudno, in the north has a long conference tradition, and is a favourite resort for party political conferences. This mid-Victorian seaside town, set between the two headlands of the Great and Little Orme, can accommodate 2,000 delegates in the Pier Pavilion, with an ample supply of halls and rooms in the large hotels able to cope with numbers ranging from 250 to 1,100. With the hinterland of Snowdonia, the Conwy Valley and further west, really Welsh Wales, there for the exploring, Llandudno also offers all the fun of a holiday town as well as superb facilities for sport, pony-trekking and a fine shopping centre.

Apart from the big guns of these five major conference centres, there are 20 hotels in Wales that can handle the market for residential conferences of 50-100 delegates, and 45 hotels to handle the 14-50 delegate sector. Cardiff and the Vale of Glamorgan are particularly keen to encourage more conferences in the area based on health and medicine.

Conferences are only part of an increasingly active Welsh tourist scene. It is almost impossible to drive round the Welsh valleys nowadays without coming across a car-borne Dutchman anxiously scanning a map. He is one of the thousands of West Europeans now discovering Wales in a big way—the Dutch, the Germans and Scandinavians seem to be especially Celtic-minded, though the French are fast catching them up. Last year, of 10m. visitors to the U.K., 750,000 came to Wales. What is interesting is that they did not all head automatically for the obvious attractions of Snowdonia or the popular resorts of the North Wales coastline. More and more of them have been turning up in Mid Wales and “down the works,” as the Welsh countryman is apt to refer to the valleys.

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Benefits from better transport links

BY THE late autumn, when three more sections of the M4 will have been opened in South Wales, only three sections of the road will remain to be completed. The satisfaction this will bring to those who have urged for years the need for a satisfactory infrastructure as a palliative to the economy's problems will, however, be tempered by the fact that the rest of the road will not be finished for some years to come.

One of the three gaps is the important 7.5 mile sector at the eastern entrance to Cardiff. No work is expected on it until next year at the earliest because the results of public inquiries have still to be published and the £19m. estimated cost, at November, 1976, prices is likely to turn out in actual terms to be much higher when it is finished. Since this section of the road will take at least two years to construct South Wales will not feel the full benefits of the motorway until the early 1980s.

The other two uncompleted sections, around Bridgend and around Baglan, on the outskirts of Swansea, could be even later commissioned because it will not be until October next year

that tenders are invited for the last of the work on the Bridgend bypass and no preferred route has even been drawn up for the Swansea section.

But it is the approach to Cardiff that is so important because of the capital's focal point in the economy of South Wales and it is disappointing not only that these few miles should be so long in being finished but also that the motorway will to all intents and purposes have only two lanes in each direction for much of its length in Wales. It is already clear from the density of traffic carried on some of the busier sections of the M1 and the M4 that three-lane highways are essential. Yet from the Almondsbury interchange outside Bristol the M4 will be what is frankly inferior standard.

The choice of a dual two-lane motorway was not the dictate of some planner but rather the result of public opinion. Major objections at the planning inquiries, which pointed to the loss of agricultural land, managed to restrict the width of the road. Whether the Welsh economy suffers from this exercise in public participation will not be known for many years yet: the presumption must be that it will.

But such cavilling at what has happened must not be allowed to obscure the fact that industrial South Wales now has the basic framework of a road network that links it quickly and speedily with every other part of Britain. The planners can point to the fact that no other part of industrial Britain need be much more than three hours' drive away.

Efficient

The introduction of the high-speed trains between Swansea and Paddington have complemented the pushing westwards of the motorway. They have made return business travel in a day between the two capitals not only a physical reality but one that can be undertaken with the minimum physical tiredness.

But despite the introduction of the new trains, it is the road schemes which have done most for the economy, because they have allowed the five ports and to a lesser extent the airport at Rhose, outside Cardiff, to tap new sources of trade.

There were fears—which academic studies have tended to confirm—that the opening of the Severn Bridge a decade ago would benefit Bristol more than South Wales because its docks were more capable of handling general cargo traffic, such as cars, fruit and timber. But first Newport and then Cardiff fought back and managed to attract trade which was in no way representative of its past.

The result has been that the five ports in South Wales run by the British Transport Docks Board have been able to capture new trade because of their more modern facilities. Last year, for instance, there was a 5 per cent increase in the volume of trade handled, taking the total to 17.9m. tons. This produced a net surplus for the board of \$4.45m. compared with just £300,000 the year before.

Newport is clearly the most motorway-oriented port because it is linked directly to the road system. This has enabled it to attract the Midlands car firms, which send a portion of their foreign sales through the docks. This has helped to offset the loss of some 3. tons of ore a year which used to come in for the British Steel Corporation's nearby Llanwern docks. Since the opening of the deep-water docks at Port Talbot all ore for the steelworks comes through there.

Port Talbot's future is very bright because with the recently sanctioned development scheme to enlarge the town's steelworks there will be a doubling of ore and coal brought in through the docks by the mid-1980s.

Expansion

Swansea will also benefit from the expansion of Port Talbot. Of all the ports, Swansea remains the most traditional. It is the only one that still has a major coal trade—750,000 tons will be shipped out of it this year—and the only one handling steel and tinplate. These, together with its oil imports, account for the major portion of its turnover.

The two that have had to make the most changes have been Cardiff and Barry. In place of coal Cardiff now handles timber, ore, fruit, aluminium, steel, grain and dairy produce but the 3m. tons handled last year was enough to make it the largest of the five handling general traffic, although considerably behind Swansea and Port Talbot, relying heavily as they do on bulk products such as petrol, ore and coal.

Since Cardiff is now a city of service industries its need as much as anything is for easy communication with the rest of the country. Here, it still labours under the difficulties created by a lack of long-term planning and an adequate sense of priorities. Little real effort has been put into improving the roads, which connect the tops of the valleys with the ports along the coast and where one attempt was made—by building a motorway-style road on the A470 between Cardiff and Merthyr—it was allowed to peter out half way after some 15 miles. The preferred route for the completion of this road has been announced, but its completion date is still a long way off.

Meanwhile in North Wales a large programme of improvements on the A55 which will relieve pressure on the holiday towns of Rhyl, Llandudno, Colwyn Bay and Conway goes ahead, and this route will assume priority in the Welsh roadbuilding programme once the M4 is completed. The policy of piecemeal development has been largely abandoned in favour of concentration on completing major through links, and once the main arteries through North Wales and South Wales have been built attention is likely to be turned to the improvement of north-south links within Wales.

But while in the roads network the prospect is one of

gradual improvement, in aviation uncertainty remains. Rhose, Wales's main airport, has been affected by the decline in aviation since the oil crisis and by British Airways' downgrading of the airport as a base for its operations. The airport run by a consortium of local authorities has recently completed a major programme involving improvement of the runways, lighting, terminal buildings and cargo sheds. It faces strong competition from Bristol, however, for the role of regional airport for South Wales and the West should the decision be taken to concentrate resources on one airport in the area.

Rhose has set itself a target of capturing the short-haul traffic into Europe. With a road link planned directly to the M4 it will have a good chance of securing that objective. That is why the objection of the M4 is so important for everyone.

Anthony Moreton

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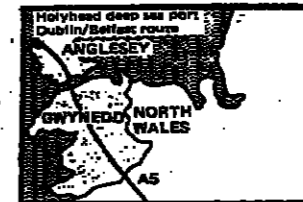
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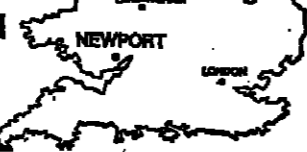
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Table of Authorised Unit Trusts listing various funds such as Abbey Unit Tr. Mgrs. Ltd., Brown Shipley & Co. Ltd., and others with their respective details.

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INSURANCE, PROPERTY, BONDS

Large advertisement section for Insurance, Property, and Bonds, featuring various companies and their services.

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Table of Cinemas, Theatres and TV stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks.

DRAPERY AND STORES

Table of Drapery and Stores stocks.

ENGINEERING, MACHINE TOOLS

Table of Engineering, Machine Tools stocks.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. stocks.

Main table of Industrial stocks including sections for Hotels and Caterers.

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Japania Ltd

NEW JAPAN SECURITIES Tokyo, Japan London Branch Frankfurt Office Tel. 248-6681 Tel. 590929

MINES—Continued

Table with columns: Stock, Price, % Chg, Div, Yld, P/E. Includes companies like Anglo American, Anglo Coal, Anglo Gold.

AUSTRALIAN

Table listing Australian stocks such as BHP, Broken Hill, Mount Isa Mines.

TINS

Table listing tin stocks including Anglo Tin Mines, Anglo American.

COPPER

Table listing copper stocks such as Anglo American, Anglo Coal.

MISCELLANEOUS

Table listing various miscellaneous stocks and their prices.

NOTES

Notes section providing detailed information about various financial instruments, interest rates, and market conditions.

REGIONAL MARKETS

Regional Markets section listing stock prices and market activity for various international regions.

OPTIONS

Options section with sub-heading '3-month Call rates' and a table of call option prices.

TRUSTS—Continued

Table listing trust funds and their performance metrics.

OILS

Table listing oil prices for various grades and origins.

OVERSEAS TRADERS

Table listing prices for overseas trading companies.

RUBBERS AND SISALS

Table listing prices for rubber and sisal commodities.

TEAS

Table listing tea prices for different grades and origins.

MINES

Table listing prices for various mining stocks.

CENTRAL RAND

Table listing prices for Central Rand mining stocks.

EASTERN RAND

Table listing prices for Eastern Rand mining stocks.

FAIR WEST RAND

Table listing prices for Fair West Rand mining stocks.

TRUSTS—Continued

Table listing trust funds and their performance metrics.

SHOES AND LEATHER

Table listing prices for shoes and leather goods.

SOUTH AFRICANS

Table listing prices for South African stocks.

TEXTILES

Table listing prices for textile commodities.

TORRACOS

Table listing prices for tobacco products.

TRUSTS, FINANCE, LAND

Table listing prices for trusts, finance, and land-related assets.

FINANCE, LAND, ETC.

Table listing prices for finance, land, and other miscellaneous assets.

MOTOR, AIRCRAFT REPAIRS

Table listing prices for motor and aircraft repair services.

Commercial Vehicle

Table listing prices for commercial vehicles.

Components

Table listing prices for various vehicle components.

Garages and Distributors

Table listing prices for garage and distributor services.

SHIPPING

Table listing prices for shipping services.

NEWSPAPERS, PUBLISHERS

Table listing prices for newspapers and publishing services.

PAPER, PRINTING, ADVERTISING

Table listing prices for paper, printing, and advertising services.

PROPERTY

Table listing prices for real estate and property services.

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INSURANCE

Table listing various insurance policies and their rates.

BRICK IS BEAUTIFUL AND A LOT MORE, BESIDES.

Relative Strength... CHART ANALYSIS LIMITED

CBI rejects new profit safeguards

BY MICHAEL LAFFERTY, CITY STAFF

THE GOVERNMENT'S proposals for safeguarding the profits of companies which could be investigated by the new Price Commission have been rejected by the Confederation of British Industry and other industry groups as totally inadequate.

NALGO favours further restraint

BY CHRISTIAN TYLER, LABOUR CORRESPONDENT

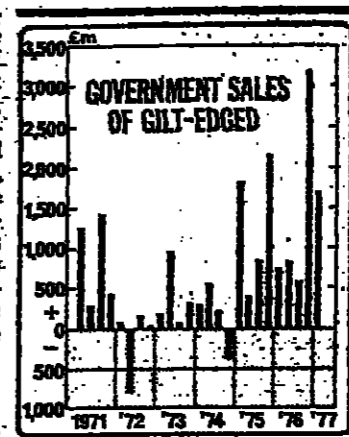
ONE OF the unions most directly affected by the Government's squeeze on public expenditure refused yesterday to withdraw its support for the social contract or for a further agreement on pay restraint.

The Bank sounds a warning note

THE LEX COLUMN

Gilt-edged prices fell by as much as a point at the long end yesterday as some of the implications of the overnight Government defeats on the Finance Bill sank in.

Index fell 5.3 to 450.1



So much for the cents takeover bid from Rolls-Royce Motors, which is currently worth 28.5m. Obviously it was nice to know more about the straits of 1975, which started as it is convenient with an indicated yield of 10 per cent at the bid price.

CompAir has long threatened a profits breakthrough. The key, grate period of normal UK demand and no disasters in Europe looked to be development of a U.S. subsidiary.

Institutions apply for half BP share offer

BY MARGARET REID

CITY MERCHANT banks handling the Government's record £564m. sale of 66.8m. shares in British Petroleum were last night in high hopes of a successful result after indications that investing institutions had already applied for about half the shares on offer.

First Soweto death in new unrest

BY QUENTIN PEEL

JOHANNESBURG, June 15.

LARGE-SCALE police reinforcements were drafted into the township of Soweto to-day as the first death was reported from continuing unrest on the day before the anniversary of the outbreak of last year's riots.

Cosgrave favourite in Irish election

BY GILES MERRITT IN DUBLIN

IRELAND GOES to the polls in a general election to-day, and the growing conviction in Dublin is that the Republic's 2.1m. voters will return Mr. James Cosgrave's coalition Fine Gael-Labour Government for a second term, but with a reduced Parliamentary majority.

Continued from Page 1 Liberals

the Scottish Assembly and the abandonment of any Government veto on its legislation. Scottish National Party support could be secured if these issues were put to a vote before the legislation itself is introduced next session, they believe.

Continued from Page 1 Gulf Oil

which found itself in 1975 with contracts to supply 550m. of uranium in the next few years, well below prevailing market prices.

Weather

Table with columns for location, weather conditions, and temperature ranges. Includes UK, Ireland, and various international locations.

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